

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

Your Senate Committee on Human Services and Public Housing to which was referred S.R. No. 10, S.D. 1, entitled:

“SENATE RESOLUTION REQUESTING THE SENATE COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING TO CONVENE A WORKING GROUP TO FURTHER STUDY RECOMMENDATIONS MADE BY THE SCR 52 TASK FORCE COMMITTEES,”

begs leave to report as follows:

**PART I. BACKGROUND**

During the Regular Session of 2006 of the Twenty-Third State Legislature, the Legislature adopted S.C.R. No. 52, S.D. 1, which requested the Senate and House of Representatives Committees on Human Services to continue addressing issues relating to the Hawaii Family Court, including the legal interventions available to the Family Court and to establish one or more task forces to facilitate their work, as recommended by an earlier task force established during a previous session. See S.R. No. 40, S.D. 2 (2004).

Pursuant to S.C.R. No. 52, S.D. 1 (2006), a task force was established (SCR 52 Task Force), which developed and submitted its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2007 of the Twenty-Fourth State Legislature.

Subsequently, the Senate determined that unresolved issues and proposals required additional work and continuing attention.

Accordingly, the Senate adopted S.R. No. 10, S.D. 1, during the Regular Session of 2007 of the Twenty-Fourth State Legislature, requesting the Senate Committee on Human Services and Public Housing to convene a working group, to be known as the Family Court Legal Interventions Working Group, to further study the recommendations of the four committees convened pursuant to S.C.R. No. 52, S.D. 1, namely, the:

- (1) Best Interest of the Child Committee;
- (2) Family Court Models Committee;
- (3) Family Court Sunshine and Accountability Committee; and
- (4) Temporary Restraining Orders Committee.

Senate Resolution No. 10, S.D. 1 (2007), also requested the Family Court Legal Interventions Working Group to submit an interim report of its findings and recommendations to the Legislature, including any proposed legislation, prior to the convening of the Regular Session of 2008, and a final report prior to the convening of the Regular Session of 2009.

**PART II. FAMILY COURT LEGAL INTERVENTIONS WORKING****A. Year 1**

The Chair of the Senate Committee on Human Services and Public Housing, Senator Suzanne Chun Oakland, convened the Family Court Legal Interventions Working Group, comprised of representatives of the organizations recommended in S.R. 10, S.D. 1 (2007).

The Family Court Legal Interventions Working Group held public meetings on July 18, August 30, September 20, November 16, and December 14, 2007. The Working Group established committees to continue to address the four subject areas under S.C.R. No. 52, S.D. 1 (2006):

- (1) Best Interest of the Child;
- (2) Family Court Models;
- (3) Family Court Sunshine and Accountability; and
- (4) Temporary Restraining Orders.

The Working Group submitted its Interim Report and proposed legislation to the Legislature, as required by S.R. No. 10, S.D. 1, on January 2, 2008 (Special Committee Report No. 2). Subsequently, the proposed legislation was introduced as S.B. No. 2054, Relating to Family Court, and as S.B. No. 2055, Relating to Family Court. Both measures were passed by the 2008 Legislature and enacted into law.

S.B. No 2054, S.D. 2, H.D. 2, C.D. 1, (Act 114, Session Laws of Hawaii 2008), establishes criteria for the best interests of the child, to specify what factors the courts shall consider in making a custody or visitation determination concerning a minor child.

S.B. No 2055, S.D. 2, H.D. 2, C.D. 1, (Act 149, Session Laws of Hawaii 2008), requires the Judiciary to convene and obtain assistance from a child custody advisory task force to define the employment requirements, standards of practice, policies, procedures, and court-enforced oversight of investigators and professional personnel that assist with child custody evaluations.

**B. Year 2**

The Family Court Legal Interventions Working Group held public meetings on August 20, October 21, November 17, and December 15, 2008. The Working Group refocused the four committees from Year 1 under three categories:

- (1) Best Interest of the Child/Family Court Models;

- (2) Family Court Sunshine and Accountability; and
- (3) Temporary Restraining Orders.

At the November 17, 2008, meeting, a presentation was made to the Working Group on the Judiciary's Access to Justice Commission (Commission) by Jill Hasegawa, Vice Chair of the Commission.

In May 2008, the Hawai'i Supreme Court adopted Rule 21, which established an Access to Justice Commission. The purpose of the Commission is to increase access to justice in civil legal matters for low- and moderate-income residents, and implement the recommendations of the 2007 Access to Justice Hui report, *Achieving Access to Justice for Hawai'i's People*. The report, which was funded by the Hawaii Justice Foundation and the Hawaii State Bar Association, was prepared by the Access to Justice Hui, a group comprised of representatives from the Hawai'i Judiciary (Judiciary), the University of Hawai'i William S. Richardson School of Law, and several legal organizations, including the Hawaii State Bar Association, Legal Aid Society of Hawai'i, Hawaii Justice Foundation, and Volunteer Legal Services Hawai'i and several other nonprofits. According to the report, only one in five low- and moderate-income Hawai'i residents have their legal needs met and legal service providers are able to serve only one in three of those who contact them for assistance. In addition to the inability to afford an attorney, many also face language and cultural barriers, and have little knowledge of their legal rights and the legal services available.

Rule 21 specifically provides that the Commission endeavor to meet the needs of low- and moderate-income Hawai'i residents by, among other things:

- (1) Developing and publishing a strategic, integrated plan for statewide delivery of civil legal services;
- (2) Increasing and stabilizing long-term public and private funding and resources for delivery of civil legal services;
- (3) Increasing pro bono contributions by attorneys through such things as rule changes, recruitment campaigns, increased judicial involvement, and increased recognition for contributors; and
- (4) Reducing barriers to the civil justice system by developing resources to overcome language, cultural, and other barriers and by giving input on existing and proposed laws, court rules, regulations, procedures, and policies that may affect meaningful access to justice.

The twenty-two member Commission includes neighbor island members, lawyers, non-lawyers, and representatives from the various legal entities, as specified in Rule 21. The Commission has established three administrative committees and ten substantive committees to address the following subject matter areas:

- (1) Funding of civil services;
- (2) Increasing pro bono legal services;
- (3) Right to counsel when basic human needs are at stake;
- (4) Self-representation and unbundling of legal services;
- (5) Maximizing the use of legal services;
- (6) Overcoming barriers to access such as language and culture;
- (7) Initiatives to enhance civil legal services;
- (8) Education and communication/public awareness of legal rights and assistance;
- (9) Eliminating poverty; and
- (10) Law school liaison.

The Commission receives recommendations from the ten committees, which are the bodies that receive public input.

Additional information on the Commission is available through the following website: <http://www.hsba.org/accesstojustice.aspx>.

The Working Group learned that there is no public notice requirement for Commission meetings because the meetings fall under the Judiciary's exemption under the sunshine law. A ruling on this decision from the Office of Information Practices is pending. The Working Group also learned that the Commission does not have a Family Court Committee and has not posted a list of its members and committees.

The Access to Justice Commission is scheduled to release its first annual report in mid-2009.

At the December 15, 2008, meeting, a presentation was made to the Working Group by Robert Geffner, Ph.D., ABPP, ABPN, Founding President of the Family Violence and Sexual Assault Institute and Founding President of Alliant International University's Institute on Violence, Abuse and Trauma, both located in California. Dr. Geffner discussed California's approach to child custody evaluations, particularly in cases of allegations of child abuse, domestic violence, or substance abuse, and that state's efforts to ensure consistent and ongoing training requirements for child custody evaluators. He distributed information on child custody evaluation training and California Rules of Court related to child custody evaluations. See Exhibits A and B.

### PART III. WORKING GROUP FINDINGS

The following reflects the work and findings of each committee of the Working Group.

#### A. Best Interest of the Child/Family Court Models

The Best Interest of the Child/Family Court Models Committee held meetings on September 2, October 10, and October 28, 2008.

The Committee identified a number of items of interest and concern for further discussion and prioritization, including:

- (1) Monitoring the Family Court's custody evaluator standards and training;
- (2) Reviewing Volunteer Legal Services Hawai'i (VLSH) Parenting Plan Mediation Pilot Program;
- (3) Exploring more effective enforcement of parenting plans and other violations of Family Court orders;
- (4) Examining the shared parenting rebuttable presumption;
- (5) Reviewing grandparent visitation procedures;
- (6) Examining data on the impact of custody decisions on children's well-being outcomes; and
- (7) Reviewing Enchanted Lake Elementary School's program as a potential model for negotiation skill training.

Best Interest of the Child/Family Court Models Committee members attended meetings of the Child Custody Task Force established by the Judiciary pursuant to Act 149, Session Laws of Hawaii 2008, and will continue to monitor progress and implementation of certification standards. The Judiciary will submit a report to the Legislature prior to the 2009 Session, on the findings and any recommendations by the Task Force. A letter was transmitted from Senator Suzanne Chun Oakland to the Judiciary, regarding the Family Court rule on child custody evaluations and on the inclusion in the report of options and resource requirements as required under Act 149, SLH 2008.

The Best Interest of the Child/Family Court Models Committee has noted that while the Judiciary indicates it has limited resources, there are training programs available, including the Hawaii Association for Marriage and Family Therapy training, which is open to all professionals; and the Institute on Violence, Abuses and Trauma program on child evaluation. See: [www.childabusesolutions.com](http://www.childabusesolutions.com).

Family Court rules relating to child custody evaluation are available on the Judiciary's website. The rules are currently in comment period and are expected to be adopted in Spring 2009 in all circuits.

The University of Hawaii has developed a custody evaluator curriculum, and Dr. Laurette DeMandel-Schaller, a working group participant, has submitted recommendation for a custody evaluator curriculum. See Exhibit C.

The Best Interest of the Child/Family Court Models Committee is also reviewing Hawaii's grandparent visitation procedures and the California Rules of Court related to child custody evaluations. The Committee and the full Working Group voted to support the VLSH Parenting Plan Mediation Pilot Program request for grant-in-aid funding in the amount of \$85,000.

The Committee also examined more responsive enforcement when court orders are violated. Options discussed include: (1) meeting with the Board of Family Court Judges to clarify the concerns relating to the lack of enforcement for violations of court orders, and what information or evidence is needed to obtain speedier enforcement and sanctions for violations; (2) developing a list of problems and concerns with enforcement, particularly as they relate to children, to be shared with the Family Law Section of the Hawaii State Bar Association and the Judiciary; and (3) creating a checklist form to list all orders and status to facilitate review of the enforcement of orders.

#### **B. Family Court Sunshine and Accountability**

The Family Court Sunshine and Accountability Committee held meetings on September 4, September 22, and October 8, 2008.

The Committee identified the following issues for further discussion and prioritization:

- (1) Requiring that the Judiciary be subject to the sunshine law for administrative matters;
- (2) Determining what information should be available to the public, including issues of privacy, confidentiality, and sealing of court records;
- (3) Opening public access to custody hearings and trials;
- (4) Recommending that property division be codified in state law;
- (5) Defining abuse of process in Family Court cases and creating consequences for abuse, including a review of statutory procedure;
- (6) Requiring informed consent from all affected parties before off-the-record proceedings occur; and
- (7) Providing a defined option for binding arbitration to resolve Family Court cases at the time of filing for marriage, divorce, or custody.

The Family Court Sunshine and Accountability Committee reviewed draft legislation to amend section 92-6, Hawaii Revised Statutes, relating to applicability of the State's sunshine law to the non-adjudicatory functions of the Judiciary. After extensive discussion, the Working Group agreed that there is need for additional information on the possible impacts and successful application of the proposal. Senator Suzanne Chun Oakland will request further study of the issue, including recommendations for legislation, by the Legislative Reference Bureau.

The Family Court Sunshine and Accountability Committee also recommended a survey of other states to determine how states provide for citizen participation or how the public can provide feedback on court services; whether a state's sunshine law applies to its Judiciary, and, if so, a review of the applicable provisions; how states define "adjudicatory" functions of the court; whether the state legislature has the authority to legislate activities of the Judiciary, and, if so, the scope of the actions that can be legislated; and whether meetings of a state's judiciary commissions and committees are subjected to sunshine laws.

**C. Temporary Restraining Orders (TRO)**

The Temporary Restraining Orders Committee held meetings on September 4, September 22, and October 8, 2008.

The Committee identified the following issues for further discussion and prioritization:

- (1) Creating normal notice for the TRO process if an ex parte application is denied (chapter 586, Hawaii Revised Statutes);
- (2) Developing consequences for TROs issued based on false statements;
- (3) Evaluating the effectiveness of batterer intervention programs, including national data;
- (4) Following-up on a request for court data;
- (5) Reviewing TROs filed on behalf of children;
- (6) Assessing the applicability of Hawaii's Opportunity Probation with Enforcement (HOPE) program for TROs with domestic violence cases; and
- (7) Assessing the analysis of problems in relation to seeking solutions.

The Temporary Restraining Orders Committee discussed the issue of handling allegations when TROs are denied, examining chapters 580 and 586, Hawaii Revised Statutes, and agreed not to pursue legislation at this time.

Committee members met with the Honorable Steven Alm, First Circuit Judge, to discuss Project Hope and whether this program can be expanded to include TRO violators. As the program is judge-driven, Judge Alm indicated that it has the capacity to expand to cover TRO violations, and he will be submitting a budget for program expansion for this purpose. A national evaluation has been conducted, and an annual report of the program will be forthcoming.

The Committee is exploring an informational brochure on the TRO process that can be made available to both parties.

**PART IV. WORKING GROUP RECOMMENDATIONS**

The Working Group considered the work of each of its three committees and prepared proposed legislation, attached, for introduction during the Regular Session of 2009. Accordingly, the Working Group recommends the following:

- (1) Working Group support for the Volunteer Legal Services Hawai'i (VLSH) Parenting Plan Mediation Pilot Program grant-in-aid request in the amount of \$85,000; and
- (2) Legislative support for the adoption of a Resolution requesting that the Family Court Legal Interventions Working Group established in 2007 through S.R. No. 10, S.D. 1, continue its work for one additional year and cease to exist on January 1, 2010, as attached in Exhibit D.

Passage of this Resolution would enable the Working Group and committees to continue to explore the aforementioned issues, with final findings and recommendations to be submitted to the Twenty-Fifth State Legislature prior to the Regular Session of 2010.

**PART V. CONCLUSION**

After a majority vote of the members, the Working Group recommends that legislation as outlined and attached be introduced during the Regular Session of 2009 to implement the findings and recommendations of the Working Group contained herein. The convener of the Working Group, Senator Suzanne Chun Oakland, will sponsor introduction of the necessary legislation.

Signed by Senator Suzanne Chun Oakland, Chair, on behalf of the Committee.

**Spec. Com. Rep. No. 2**

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Twenty-Fifth Legislature of the State of Hawaii, Regular Session of 2009, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected Senators whose respective terms of office will expire on November 6, 2012, are:

First Senatorial District

Dwight Y. Takamine

Third Senatorial District

Josh Green, M.D.

Fifth Senatorial District

Rosalyn H. Baker

Sixth Senatorial District

J. Kalani English

Seventh Senatorial District

Gary L. Hooser

Twelfth Senatorial District

Brickwood Galuteria

Sixteenth Senatorial District

David Y. Ige

Seventeenth Senatorial District

Michelle N. Kidani

Eighteenth Senatorial District

Clarence K. Nishihara

Twenty-first Senatorial District

Colleen Hanabusa

Twenty-second Senatorial District

Robert Bunda

Twenty-third Senatorial District

Clayton Hee

Signed by Russell S. Kokubun, Norman Sakamoto and Fred Hemmings.

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

The Joint Legislative Committee on Aging in Place (JLCAIP), created pursuant to Act 285, Session Laws of Hawaii (SLH) 2006, as the Joint Legislative Committee on Family Caregiving (JLFCF), and renamed pursuant to Act 220, SLH 2008, having been directed to report to the Legislature by Act 11, Special Session Laws of Hawaii (SSLH) 2008<sup>1</sup> entitled:

“A BILL FOR AN ACT RELATING TO CAREGIVING,”

begs leave to report as follows:

**PART I. INTRODUCTION**

The JLCAIP is mandated to develop a comprehensive public policy to strengthen support for family caregivers who provide unpaid, informal assistance to persons 60 years of age and older with physical or cognitive disabilities and for grandparents raising grandchildren. Since its first meeting in September 2006, the Committee has conducted three work programs during legislative interims. This is the third report the JLCAIP has submitted to the Legislature.

Part II of this report provides background information on the JLCAIP's concern for family caregivers. Part III provides updates on the ten issue areas the Committee examined which are described in Part III. Part IV contains findings and recommendations of the JLCAIP, and Part V is the conclusion.

The 2008 Interim work program of the JLCAIP focused on issue areas involved in family caregiving and aging in place. The issue areas discussed in this report include:

- (1) Kupuna Care;
- (2) Respite Care;
- (3) Cash and Counseling;
- (4) Paid Family Leave;
- (5) Grandparents Raising Grandchildren;
- (6) Aging and Disability Resource Center;
- (7) Home for Life Task Force;
- (8) Home Care Licensing;
- (9) Home Medical Equipment; and
- (10) Long Term Care Commission.

**PART II. BACKGROUND****Concern for Family Caregiving**


---

<sup>1</sup>. Act 11, SSLH 2008, reflects the Legislature's override of the Governor's item veto in Act 220, SLH 2008 (relating to appropriations for the Kupuna Care program). The Act will be referred to as Act 220 throughout this report.

Hawaii has a strong tradition of family caregiving. Family caregivers are family members, friends, and neighbors who provide unpaid assistance to those over the age of 60 (older adults) or grandparents raising their grandchildren. Recently, however, caregiving of family elders has become more than an act of love and familial responsibility. Due to a shortage of care providers for Hawaii's elderly, family caregiving has become a critical component of our health and long-term care system.

By 2020, more than one in four individuals in Hawaii is expected to be an older adult. As the State's population ages, many more families will be providing higher levels of long-term care to frail and disabled older adults at home. Family caregivers provide great economic value to our community, and it is the intent of the State of Hawaii to support and encourage them. Family caregiving delays institutionalization and allows our elders to remain in their homes.

Many family caregivers face added burdens in caring for their loved ones while fulfilling other family and workplace responsibilities. A continued effort to create comprehensive public policies to strengthen support for family caregivers is essential as the population ages. The State can build on and encourage the strong tradition of family caregiving in Hawaii by developing a plan for the future that includes research, development of best practices, and measurement of intended outcomes.

#### **Legislative Mandate**

Because of these concerns, Act 285, SLH 2006, created the JLCFC, and Act 220, SLH 2008, changed its name to the JLCAIP and extended its term to June 30, 2010.

The JLCAIP members are: Senator Les Ihara, Jr. and Representative Marilyn B. Lee, Co-Chairs; Senators Rosalyn Baker, Suzanne Chun Oakland, and Fred Hemmings; and Representatives Karen Awana, Joey Manahan, and Corinne Ching.

The purpose of Act 220 is to continue to strengthen support for family caregivers, in part, by continuing the JLCAIP's efforts to monitor the needs of family caregivers and support services currently available and study successful policies and initiatives of other states to determine what might be replicated in Hawaii.

#### **Approach of the JLCAIP**

The JLCAIP held six meetings and informational briefings during the 2008 Interim on: July 31, September 5, October 10, November 7, December 5, and December 30.

Most of the meetings of the JLCAIP were held jointly with the Legislature's Kupuna Caucus to solicit information on topics of mutual interest. The Co-Chairs also held several meetings on behalf of the Committee.

A number of agencies and organizations participated in the informational hearings and briefings, and provided input and testimony. These agencies and organizations included:

##### **Governmental Departments and Agencies:**

- (1) Executive Office on Aging;
- (2) Policy Advisory Board for Elder Affairs;
- (3) Aging and Disability Resource Center;
- (4) Long Term Care Ombudsman;
- (5) Family Leave Working Group;
- (6) Grandparents Raising Grandchildren Task Force;
- (7) Long Term Care Commission;
- (8) City and County of Honolulu, Elderly Affairs Division;
- (9) County of Hawaii, Office of Aging;
- (10) County of Kauai Agency on Elderly Affairs;
- (11) County of Maui, Office on Aging;
- (12) Department of Health;
- (13) Department of Human Services;
- (14) Department of Education;
- (15) Department of Labor and Industrial Relations;
- (16) Department of Taxation;
- (17) Disability and Communication Access Board;
- (18) Hawaii Health Systems Corporation;
- (19) State Council on Developmental Disabilities;
- (20) University of Hawaii Center on Aging;
- (21) University of Hawaii Public Policy Center;
- (22) University of Hawaii School of Social Work;

- (23) University of Hawaii College of Tropical Agriculture & Human Resources; and
- (24) Kapiolani Community College Kupuna Education Center.

**Other Organizations:**

- (1) AARP Hawaii;
- (2) Apria Healthcare;
- (3) Case Management Council;
- (4) Case Management Incorporated;
- (5) Case Management Professionals;
- (6) Catholic Charities Hawaii;
- (7) Chamber of Commerce Hawaii;
- (8) Chaminade University;
- (9) Child and Family Services;
- (10) Convalescent Center of Honolulu;
- (11) Graham Builders, Inc.;
- (12) Hawaii Alliance for Retired Americans;
- (13) Hawaii Teamsters Local 996;
- (14) Hawaiian Islands Medical Corporation;
- (15) Healthcare Association of Hawaii;
- (16) Hawaii Government Employees Association (HGEA) Retirees;
- (17) Honolulu Committee on Aging;
- (18) Kaiser Community Case Management;
- (19) Kapahulu Center;
- (20) Kokua Council;
- (21) Lanakila Multi-Purpose Senior Center;
- (22) Maunalani Nursing and Rehabilitation Center;
- (23) MB Case Management Inc.;
- (24) Moiliili Community Center;
- (25) Na Tutu;
- (26) National Association of Social Workers;
- (27) National Federation of Independent Businesses;
- (28) National Multiple Sclerosis Society;
- (29) Ohana Health Plan, Inc.;
- (30) Palolo Chinese Home;
- (31) PHOCUSED (Protecting Hawaii's Ohana, Children, Underserved, Elderly, and Disabled);
- (32) Project Dana;
- (33) Quality Case Management, Inc.;
- (34) Queen Liliuokalani Children's Center;
- (35) Queen's Community-Based Case Management;
- (36) Residential Choices;
- (37) Society for Human Resource Management – Hawaii;
- (38) Talavera Case Management Agency;
- (39) Waikiki Community Center; and
- (40) Wilson Homecare.

The JLCAIP also received input from interested individuals and caregivers, including grandparents who are primary caregivers to their grandchildren.

### PART III. REPORT ON ISSUE AREAS OF THE JLCAIP

The JLCAIP conducted its 2008 activities to advance family caregiver support and improve conditions for enabling our elders to age in place. The Committee focused its work on the ten issue areas described below.

#### **Kupuna Care**

The Executive Office on Aging (EOA) provided a comprehensive overview of the Kupuna Care program, which provides Hawaii's needy older adults with home- and community-based services which are client-centered and family-supported, and allows elders to live with independence and dignity. The four county aging agencies administer Kupuna Care services through contracts issued by the EOA.

To be eligible to receive Kupuna Care services, an individual must meet five criteria: (1) be a United States citizen or qualified alien; (2) be 60 years of age or older; (3) not be covered by comparable government or private home and community services; (4) not reside in an institution such as an intermediate care facility (ICF), skilled nursing facility (SNF), hospital, foster family or adult residential care home (ARCH); and (5) have an impairment of at least two activities of daily living (ADL), instrumental activities of daily living (IADL), or substantive cognitive impairment, and an unmet need of at least one or more ADL or IADL.

In state fiscal year 2007-2008, a total of \$5,153,108 was available for the Kupuna Care program statewide. Of the total expenditures, personal care accounted for 28 percent, home delivered meals for 22 percent, case management for 20 percent, transportation for 15 percent, homemaker services for six percent, adult day care for four percent, attendant care for three percent, and chore services for one percent.

Older adults receiving services are given the opportunity to voluntarily contribute to service costs, but are not required to do so. In state fiscal year 2007-2008, voluntary contributions totaled \$732,529, or 15.9 percent of total Kupuna Care service expenditures statewide.

A service recipient's suggested voluntarily contribution to Kupuna Care is based on his or her income level. In the past, it was believed that the cost to county aging agencies to collect these contributions exceeded the amount collected. To encourage an increase in voluntary contributions for services received and make collection efforts worthwhile, cost-efficient means of facilitating such contributions are needed.

As of June 30, 2008, 242 persons eligible to receive Kupuna Care services have been placed on a waiting list due to the limitation of available funds. Program funds currently available for state fiscal year 2008-2009 are insufficient to maintain the level of services provided statewide in fiscal year 2007-2008. Act 204, SLH 2007, appropriated \$525,000 to maintain the fiscal year 2007-2008 level of services for state fiscal year 2008-2009, and release of these funds would allow more eligible older adults and family caregivers to receive service. The additional appropriation of \$500,000 through Act 11, SSLH 2008<sup>2</sup>, would allow expansion of the Kupuna Care program. Funds appropriated by Act 204 and Act 11 have not been released by the Governor.

All four county aging agencies have reported an inability to provide adequate services to their needy elderly due to insufficient funding of their Kupuna Care programs. Hawaii County has consistently experienced shortfalls for several years and reallocated two employees to the Aging and Disability Resource Center in 2008. Although Maui County has apportioned additional county funds to supplement state funding of Kupuna Care, reductions of services will still be required. Kauai County expects some service providers to reduce staff, and the City and County of Honolulu plans to reduce the number of clients served and services provided.

#### **Respite Care**

The EOA contracted with the University of Hawaii (UH) to conduct studies on a family caregiver respite care inventory and on respite care for grandparents raising grandchildren. Draft reports for both studies have been submitted to the EOA for review, and final reports were not available when this JLCAIP report was submitted. The reports conclude that affordable, flexible respite care is in short supply in Hawaii.

##### *Family Caregiver Respite Care Inventory*

Pursuant to House Concurrent Resolution No. 187 (2007), the EOA contracted with the UH School of Social Work during the 2007 Interim to compile an inventory of respite care agencies located in the State and the services they provide. Respite agencies across the State were contacted by telephone and information was gathered on the types of respite care services provided, method of payment required, maintenance of waiting lists, and populations served.

Act 220, SLH 2008, mandated that the respite care inventory project be expanded to include: (1) a proposed definition of "respite care"; (2) more detailed descriptions of the types of respite services provided in the State; and (3) a review of the Legislative Reference Bureau's 2007 report on respite care policies in other states to identify potential approaches for Hawaii to support expanded respite services, including alternative types of respite care providers, respite care services provided, and financial support.

The key findings of UH's report include identification of 31 agencies that provide respite care services on Oahu, 13 in Hawaii County, nine in Maui County, and two in Kauai County. The types of respite programs include: overnight, weekend, emergency care, adult day care, assistive living, in-home care, companions, nursing, chore, meals, rehabilitation, Alzheimer's, mental illness, disabilities, healthcare, and transportation services. Out-of-home and in-home respite programs were approximately equal in number. Service gaps include transportation to and from respite sites; care for consumers suffering from moderate to severe Alzheimer's Disease; emergency, overnight, or weekend respite services; and affordable respite services for private pay clients. The respite care

<sup>2</sup> The \$500,000 appropriation for the Kupuna Care was the subject of the Governor's item veto of Act 220, SLH 2008. The Legislature overrode the Governor's veto and Act 220, SLH 2008, was filed in its final form as Act 11, SSLH 2008.



inventory did not include vacant care home beds, which could be used to provide respite for family caregivers – especially for overnight and emergency respite.

The draft report also found that statutory definitions of respite care varied widely. The definitions believed to be most workable were those that did not reference a specific disease or condition, and included populations with a combination of medical and financial needs. The report suggests that a respite care definition for Hawaii: (1) carefully define potential recipients and targeted populations; (2) describe the services covered; (3) define specific limits on services, such as dollars, hours, etc.; and (4) define expected outcomes.

#### ***Respite Care for Grandparents Raising Grandchildren***

The UH Department of Family and Consumer Science was contracted by the EOA to conduct a respite care study focusing on grandparents raising grandchildren (GRG). The draft report finds that approximately 14,000 grandparents are primary caregivers for over 33,000 grandchildren in the State.

Many GRG face a wide range of challenges, including their grandchildren's emotional and behavioral problems and their own health issues and financial difficulties. Existing respite services for GRG vary between counties. Most respite services for GRG are provided on Oahu and Maui. There are many gaps in the services provided, including gaps in transportation services, services for children between five and 15 years of age, and therapeutic needs for children with relatively mild mental health problems. Additionally, crisis care is limited.

The draft report suggests that respite care services for GRG must possess the following attributes: (1) be culturally appropriate; (2) be available to GRG of all legal statuses; (3) be offered as part of a package of services; (4) use a lifespan respite model; (5) give priority to GRG who are sole providers for their grandchildren; and (6) contain an evaluation component. Further, the Legislature should formulate a clear definition of respite care and the conditions for GRG respite care eligibility.

#### **Cash and Counseling**

Act 204, SLH 2007, mandated the EOA to research cash and counseling programs in other states. The EOA contracted with the UH School of Social Work to conduct the research and prepare a report to the Legislature. Act 220, SLH 2008, mandated the EOA to report on its effort to design a cash and counseling project for non-Medicaid participants that would allow clients to direct and manage their personal assistance services based on their own specific needs, while also providing family caregivers with a level of financial recognition and support.

The UH School of Social Work's draft report recommends a three-year cash and counseling demonstration project. The proposed project would provide 200 consumers with \$750 monthly to purchase necessary care and services as defined by their care plan, and allow consumers to hire family members as caregivers if they wish. The cash and counseling benefit should be flexible, allowing consumers to save their monthly payments to make a one-time purchase of a necessary item or receive a costly consultation. There should be three eligibility requirements for project participants. They must: (1) live with two or more ADL's, or a cognitive impairment; (2) be uninsured, underinsured, or ineligible for Medicaid; and (3) be ineligible for government assistance benefits under Medicare, Veterans Benefits, or other similar programs.

The report suggests that Aging and Disability Resource Center (ADRC) sites serve as enrollment sites for the cash and counseling demonstration project, and ADRC coordinators assist with outreach activities. Counselors at the sites should meet potential consumers to help determine program eligibility, develop flexible monthly budgets, establish individualized service plans, and monitor service delivery on a quarterly basis.

With respect to the fiscal component of the cash and counseling demonstration project, the counselors at ADRC sites should assist consumers with obtaining a representative payee and help service providers meet federal and state income tax reporting requirements. A project director would be hired to provide quality assurance and contract and fiscal oversight, and to assess the future of the program after the demonstration project ends. Prior to starting the demonstration project, an evaluation methodology must be established to determine the project's success.

#### **Paid Family Leave for Family Caregivers**

Act 243, SLH 2008, established a working group to explore the provision of wage replacement benefits to employees who need to take time off from work to care for a family member with a serious health condition. The working group was composed of departmental representatives, advocates and members of the business community and labor unions. Working group meetings were held in 2008 on: August 26, September 12, October 17, November 6, December 2, and December 17.

The working group explored funding mechanisms for a paid family leave program, including income tax credits, temporary disability insurance benefits, and unemployment benefits. Paid family leave legislation in California, Washington, and New Jersey was discussed, along with issues relating to medical privacy. The working group reviewed the *State of Hawaii Caregivers Needs Assessment (2007)* prepared by the EOA and an inventory of existing employer eldercare policies and practices.

The working group concluded without recommending any legislation, due in part to the State's weak economy and the group's lack of consensus regarding wage replacement benefits. The working group endorsed a continuum of short- and long-term concepts that the JLCAIP or other individuals or organizations might introduce for consideration in the 2009 Session. The continuum of wage replacement consists of three parts: (1) creation of a data collection system capable of analyzing and reporting family care data for both public and private employees, (2) establishment of an eldercare tax credit for employees, similar to tax credits for childcare, and (3) establishment of a state-sponsored long-term care insurance program through employee payroll deductions and a tax credit for employers who purchase long-term care insurance for their employees.

#### **Grandparents Raising Grandchildren**

Act 220, SLH 2008, established a GRG Task Force for a term ending on June 30, 2009, to focus on the needs and issues faced by grandparents raising grandchildren. The Task Force, composed of state and county departmental representatives, advocates, and stakeholders, met in 2008 on August 25, September 5, October 10, November 7, and December 5. The Task Force identified several

statewide problems faced by GRG, including: (1) barriers to finding adequate housing, (2) difficulties associated with the release of grandchildren's parents from incarceration, and (3) obstacles obtaining mental health services for grandchildren. The Task Force also discussed the variation between counties of services provided to GRG.

The Task Force recommends that each county aging agency address GRG in their respective Area Plans on Aging. The Task Force further recommends that the EOA include specific mention of GRG issues in the State's four-year Plan on Aging, due in 2011, as reflected in each county's Area Plan on Aging. GRG representatives are encouraged to participate in the public input processes of the EOA State Plan and each County Area Plan on Aging. Counties are urged to publicize GRG services in print and online for family caregivers. Senior housing providers are encouraged to make exceptions to house rules or policies to allow grandparents suddenly faced with raising their grandchildren enough time to find suitable housing. The Task Force identified the need for a program that would educate incarcerated parents on ways to reconnect with their children upon release.

#### **Aging and Disability Resource Center**

The ADRC is funded by federal and state funds and implemented by the EOA's coordinator through a contract with UH's Center on Aging. The ADRC is being developed as a one-stop shop for streamlined access to unbiased information on long-term care options and services through integrated or closely coordinated services, including: (1) intake, (2) assessment, (3) eligibility screening and determination, (4) information counseling, and (5) follow up.

Hawaii's ADRC pilot site, Kahi Malama, is located in Hilo and held its grand opening on November 14, 2008. This physical site houses a number of public and private aging and disability services, programs, and agencies under one roof. Hawaii County Office of Aging is the lead agency for the Hilo site.

The Honolulu ADRC program is being developed by the City and County of Honolulu, Elderly Affairs Division, as a virtual site. It will be a robust internet website with comprehensive information on aging and disability services and resources. The website is being designed in conjunction with the Kauai County Agency of Elderly Affairs Division and an information technology and website development team. The website template will be made available to all county agencies on aging. The Honolulu Elderly Affairs Division's senior telephone hotline is also being expanded to enable close coordination with ADRC. Honolulu and Kauai Counties plan to launch the website in late Spring 2009. The virtual ADRC program would not only provide online information, but also include a telephone helpline staffed by trained professionals to assist those who do not have internet access or require additional assistance.

Future expansion plans include establishing satellite physical sites on Oahu's North Shore and Leeward areas, in the Hamakua district on the Big Island, and in Kauai and Maui counties.

#### **Long Term Care Commission**

Act 224, SLH 2008, established the Long Term Care Commission, which is administratively attached to UH's Public Policy Center. The Commission is mandated to identify problems in the current long-term care system, including its capacity, programs, and services and to develop a comprehensive plan to ensure availability of a full continuum of long-term care services in alternative settings. The Commission is required to submit an interim report to the Legislature by February 28, 2010, and a final report by September 30, 2010. The commission's term will expire thirty days after submission of its final report.

Although the Long Term Care Commission has met, it has delayed the start of a work program until private funds are raised. Because the Governor declined to release a legislative appropriation for the Commission, private funds will be sought to conduct a one-year study of long-term care terminology, management, financing sources, and impacts on the workforce.

#### **Home Medical Equipment**

Durable medical equipment providers informed the JLCAIP about problems consumers face when acquiring durable home medical equipment, such as wheelchairs, walkers, and oxygen machines. The providers identified three areas of concern for the JLCAIP's consideration: (1) the lack of consumer education and information available regarding maintenance and repair of home medical equipment and the ramifications of purchasing equipment from online or out-of-state suppliers; (2) the difficulty consumers have in accessing services in the State, particularly on Kauai, in acquiring and maintaining home medical equipment; and (3) the concern that the competitive bidding program introduced by the Medicare Improvements for Patients and Providers Act of 2008 will drive smaller, local providers out of business, creating a shortage of readily available equipment repairpersons and suppliers in the State.

Reimbursement rates to home medical equipment providers from insurance providers and government programs continue to decrease, forcing many providers to cease operations and creating financial difficulties for those still operating. The financial burden to home medical equipment providers makes consumers vulnerable to providers attempting to save money by failing to fix faulty or damaged equipment, or charging exorbitant amounts to do so.

To address the concerns raised, the Department of Human Services has been meeting with home medical equipment providers to work on streamlining regulatory processes, improving reimbursements, and establishing new criteria for prior approval of services. Additionally, the ADRC plans to assist in providing accurate information to consumers.

#### **Home for Life Task Force**

At the request of the JLCAIP, volunteers formed a group to explore ways to assist disabled elderly who wish to remain at home. The group proposed establishing a Home for Life Task Force to work on reducing physical barriers in the home environment to enable people to remain in their own homes for as long as possible, encouraging adoption of universal design principles, and facilitating multigenerational living. The Task Force would analyze pertinent laws, codes, and regulations; identify ways to facilitate modification of existing residences; develop a program to train personnel to evaluate home modification needs; encourage use of universal design principles in new construction and home renovations; and educate professionals and the public regarding aging in place and multigenerational living issues.

A legislative resolution will be proposed to establish the Home for Life Task Force and request assistance in identifying possible sources of funding and other resources. The group also suggests that the task force: (1) organize a best practices exhibit for viewing throughout the State; (2) conceptualize a model house that illustrates the best practices for achieving the goals of universal design and aging in place; and (3) solicit ideas from frail elders and persons with disabilities on preferred design features that might facilitate comfortable living in their current homes.

#### **Home Care Licensing**

With support from the JLCAIP Co-Chairs and Kupuna Caucus leaders, a home care licensing work group has proposed that home care agencies be licensed to provide a level of protection for consumers who purchase medical and non-medical services in their homes. Home care services are expected to grow by 70 percent nationally by 2014. Currently, only a general excise tax license is required to provide home care services to elderly and disabled consumers. Licensing would provide minimum standards, such as criminal background checks, communicable disease checks, and competency requirements for staff.

State and county consumer resource publications currently provide listings of home care agencies, but in the absence of licensure, consumers do not have a way of assessing the quality or safety of the agencies. Both home care, an unlicensed consumer-directed service, and home health care, a physician-directed service, can include medical services in the delivery of care.

A bill will be offered for consideration by the 2009 Legislature that would require the licensing of home care agencies in Hawaii.

#### **PART IV. RECOMMENDATIONS**

The JLCAIP appreciates the opportunity to facilitate discussions to support family caregivers and enable Hawaii's elderly to age in place. Based on its work conducted during the 2008 Interim, the JLCAIP submits to the Legislature the recommendations described below. Due to budget constraints required by significant reductions in state revenues, the Committee has sought to limit recommendations requiring additional appropriations.

The Committee recommends funding support for the State's safety net for needy seniors and continued development of a coordinated information and referral system for services available to older adults. The Committee also recommends: the use of existing government resources to develop a website for respite care information; that the EOA conduct a cash and counseling pilot project; that employers be required to notify employees of the employers' eldercare benefits and policies; that senior housing facilities make exemptions in their house rules or policies to allow grandparents raising grandchildren adequate time to find suitable housing; the establishment of a Home for Life Task Force; and that licensing be required for home care agencies.

The JLCAIP believes its recommendations address the needs of family caregivers and help to build a comprehensive, community-based support system for them.

**Finding A:** The Kupuna Care program is intended to provide a safety net of services for Hawaii's needy elderly and family caregivers. Some older citizens do not have access to necessary services, often because of financial constraints. However, many older adults can remain in their homes with minimal assistance while maintaining their independence and dignity at relatively little cost. As the population eligible to receive Kupuna Care services increases, funding levels have become insufficient to adequately serve the population's most basic needs, and wait lists are expected to grow longer.

**Recommendation A:** The JLCAIP recommends that the EOA's base budget appropriation in the Executive Budget be increased to provide the level of Kupuna Care services available in fiscal year 2007-2008 to qualified care recipients and their family caregivers, including grandparents raising grandchildren. The EOA should also be requested to work with county aging agencies to develop a plan to increase voluntary contributions to help fund Kupuna Care, procedures for managing wait lists, and policies for using a cash and counseling approach to deliver qualified services.

**Finding B:** The completed caregiver respite care inventory contains valuable information for family caregivers, such as services available, geographic service areas, and a variety of restrictions and eligibility requirements for services. Making this information available to the public would benefit persons who need these services. The availability of respite care services is especially important to caregivers in emergency situations when they are unable to provide care to family members.

**Recommendation B:** The JLCAIP recommends that the EOA coordinate the availability of the caregiver respite care inventory in print publications and on the websites of the EOA, the four county aging agencies, and the ADRC when its website becomes available.

**Finding C:** The EOA plans to continue gathering feedback from other states that are beginning to provide consumer directed services to non-Medicaid populations. Specific points of discussion will include: (1) whether there should be limits on income and non-exempt assets, such as cars and homes; (2) methods to accommodate language barriers and a range of cultural values; (3) how best to work with area agencies and local community service providers, including those for the disability community; and (4) whether to consider a model in which caregivers are allotted a specified dollar amount annually for respite services.

**Recommendation C:** The JLCAIP recommends introduction of a concurrent resolution requesting the EOA and the UH School of Social Work to continue their efforts to develop a cash and counseling model and to conduct a pilot project using available State resources and federal and private funding.

**Finding D:** Many individuals who provide informal caregiving services to family members find that their careers suffer as a result of the additional burdens they face. While the benefits of a paid family leave program for caregivers can provide significant support for employees, its impact on work productivity and the financial costs still need to be addressed. Initial steps, such as educating employees about their family leave employment benefits and collecting data on family care for both public and private employees would assist in allowing further development of a paid family leave program in Hawaii.

**Recommendation D:** The JLCAIP recommends introduction of legislation to require employers to notify employees annually, by reasonable means, of the types of paid and unpaid eldercare benefits and policies provided by the employer, and the consequences of

early retirement as it pertains to these benefits. Additionally, a data collection system should be established to analyze family care data for both public and private employees.

**Finding E:** Grandparents living in senior housing facilities may find themselves suddenly responsible for the care of their grandchildren. However, many senior housing facilities issue eviction notices to grandparents who take in their grandchildren, leaving little or no time for the grandparents to locate affordable housing that allows children.

**Recommendation E:** The JLCAIP recommends introduction of a concurrent resolution to request that public and private agencies responsible for senior housing make appropriate allowances or exemptions in their policies and house rules to allow grandparents to remain in their units with the grandchild- or grandchildren-in-crisis until they are able to locate more suitable housing.

**Finding F:** The JLCAIP finds that the delivery of long-term care in Hawaii has been fragmented and uncoordinated, making it difficult for consumers to obtain information about their options and available services. In 2005, the United States Department of Health and Human Services awarded a grant to Hawaii to develop Aging and Disability Resource Center (ADRC) programs to inform consumers and assist them in accessing long-term support ranging from in-home services to nursing facility care.

In November 2008, the first physical ADRC site opened in Hilo. It houses nine public and private agencies providing services to seniors and people with disabilities in the County of Hawaii. In conjunction with the Kauai Agency on Elderly Affairs, the City and County of Honolulu is developing a comprehensive website that will provide a virtual one-stop shop for information and referral services to consumers. The website is scheduled for completion in May 2009.

The ADRC simplifies and provides fair and uniform access to the long-term care system. The overall goal is to establish ADRC sites in Kauai and Maui Counties and have statewide access for all consumers and caregivers.

**Recommendation F:** The JLCAIP recommends that an appropriation be made to the EOA to support the ADRC project. The funding would be used to provide start up funds for two new physical ADRC sites on Maui and Kauai and to ensure continued coordination between Hawaii and Honolulu Counties' ADRC programs. Specific ADRC expansion components include plans for additional satellite sites across the State, staff positions for pilot sites, management information system improvements, an expanded telephone information system, consumer education and outreach campaigns, and state level coordination and evaluation of the project.

**Finding G:** Many older adults live in homes that prevent them from aging in place. Government regulations and codes should be reviewed and amended to remove restrictions that prevent disabled individuals and older adults from remaining in their own homes and to allow for multigenerational housing. Consumers should be encouraged to plan for renovations necessary to age in place, and building, design, and architectural professionals should incorporate best practices for aging in place in their plans for clients.

**Recommendation G:** The JLCAIP recommends introduction of a concurrent resolution to establish a Home for Life Task Force to coordinate research and action to reduce barriers to aging in place and to facilitate multigenerational living

**Finding H:** To encourage and facilitate older adults to age in place, older adults must be confident that home care services they receive are appropriate and safe. However, there is little oversight of home care services. Standards of quality for the growing home care industry should also be ensured and providers should be adequately trained and ethically responsible.

**Recommendation H:** The JLCAIP recommends the introduction of legislation that will require home care agencies to be licensed, and will assess fees for issuing licenses. Fees collected for licensing should be earmarked to fund the licensing program. It is recommended that the program be self-funded to the extent possible.

## PART V. CONCLUSION

The Joint Legislative Committee on Aging in Place recommends that legislation be introduced in the 2009 Regular Session to implement the recommendations outlined in this report. Co-Chairs Senator Les Ihara, Jr. and Representative Marilyn B. Lee will draft legislation pursuant to these recommendations and offer co-sponsorship of the legislation to members of the JLCAIP and other legislators.

Signed by Senator Les Ihara, Jr. and Representative Marilyn B. Lee, Co-Chairs, on behalf of the Committees.

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. 1 on H.B. No. 1741**

The purpose of this bill is to:

- (1) Increase the rate of the conveyance tax on all transfers or conveyances of properties with a value of \$2,000,000 or more and second house purchases; and
- (2) Reduce for a three-year period the distribution of amounts of the conveyance tax into the Land Conservation Fund, Rental Housing Trust Fund, and Natural Area Reserve Fund.

Your Committee on Conference has amended this bill by:

- (1) Retaining the current distribution of amounts of the conveyance tax for the Land Conservation Fund; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1741, 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. 1741, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Galuteria, Kokubun.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Ayes with Reservations, 1 (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 2 on H.B. No. 1747**

The purpose of this bill is to amend State tax law by:

- (1) Increasing State income tax rates for high income earners, applying to taxable years beginning after December 31, 2008;
- (2) Increasing the standard deduction amount and the allowable personal exemption amount, applying to taxable years beginning after December 31, 2010; and
- (3) Increasing the amount of the personal deduction by 10 percent.

All of the provisions in this bill will be repealed on December 31, 2015.

Your Committee has amended this bill by adjusting the taxable income and tax base amounts for the new tax rates of 9, 10, and 11 percent for:

- (1) Joint filers with incomes in excess of \$300,000;
- (2) Head of household filers with incomes in excess of \$225,000; and
- (3) Single filers with incomes in excess of \$150,000.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1747, 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. 1747, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Galuteria, Kokubun.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Ayes with Reservations, 1 (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 3 on H.B. No. 1175**

The purpose of this bill is to:

- (1) Increase the per-cigarette tax from ten cents to 13 cents; and
- (2) Deposit an unspecified percentage of the remaining portion of the per-cigarette tax into the Hawaii Tobacco Prevention and Control Trust Fund (Trust Fund).

Your Committee on Conference has amended this bill by, among other things:

- (1) Increasing the per-cigarette tax as follows:

- (A) From 11 cents to 13 cents beginning on July 1, 2009;
- (B) From 12 cents to 14 cents beginning on July 1, 2010; and
- (C) From 13 cents to 15 cents beginning on July 1, 2011;
- (2) Removing provisions that would have deposited a percentage of the remaining portion of the per-cigarette tax into the Trust Fund;
- (3) Changing the effective date to June 30, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1175, 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. 1175, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Ayes with Reservations, 1 (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 4 on H.B. No. 895**

The purpose of this bill is to increase deterrents against the use of tobacco products other than cigarettes, including smokeless tobacco, snuff, cigars, and pipe tobacco and ensure funding for health care programs by:

- (1) Increasing the tobacco tax on the wholesale price of tobacco products other than cigarettes from 40 percent to 60 percent in 2009; 70 percent in 2010; and 90 percent in 2011; and
- (2) Depositing unspecified percentages of the taxes collected into the Community Health Centers Special Fund, the Health Systems Special Fund, and the Hawaii Tobacco Prevention and Control Trust Fund.

Your Committee on Conference has amended this bill by:

- (1) Providing a definition of the term "little cigar";
- (2) Establishing an excise tax of 11 cents for each little cigar sold, used, or possessed by a wholesaler or dealer on and after October 1, 2009; 12 cents on and after September 30, 2010; and 13 cents on and after September 30, 2011;
- (3) Establishing an increase of the tobacco tax on tobacco products other than certain sized cigars, little cigars, and cigarettes from 40 percent to 70 percent beginning on September 30, 2009;
- (4) Increasing the tobacco tax on cigars with a ring gauge of 30 or more (.467 inches in diameter or more), of any length, from 40 percent to 50 percent beginning on September 30, 2009;
- (5) Providing that 100 percent of the increase in funds collected will be deposited in the general fund;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 895, 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. 895, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 6. Ayes with Reservations, 1 (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 5 on H.B. No. 1739**

The purpose of this bill is to deter tax fraud and promote uniformity in the state tax system by, among other things:

- (1) Stipulating circumstances under which a tax preparer may be required to pay a fine for understatement of liability based on unreasonable positions in a tax return or claim for a tax refund;
- (2) Stipulating the circumstances under which a person commits the offense of promoting an abusive tax shelter and the penalties for such a violation;

- (3) Establishing penalties for erroneous claims for refunds or credits;
- (4) Establishing penalties for underpayments of taxes attributable to any substantial understatement of any tax amounts in a taxable year;
- (5) Establishing statute of limitation provisions and extension provisions for substantial omissions on tax amount information;
- (6) Stipulating that the burden of proof for the issue of falsity or fraud and intent to evade tax shall be placed upon the government;
- (7) Providing for an expedited administrative appeals process;
- (8) Stipulating that the fact that an individual's name is signed on a return, statement, or other document shall be prima facie evidence for all purposes that the return, statement, or other document was actually signed by the individual;
- (9) Authorizing the Department of Taxation (DOTAX) to undertake temporary rulemaking;
- (10) Making documents submitted to a tax district board of review public information; and
- (11) Establishing penalties for the wilful failure to collect, account for, and pay over taxes.

Your Committee on Conference has amended this bill by:

- (1) Allowing the following taxes to be collected by levy or by a proceeding in court within 15 years after the assessment of the tax if the assessment of the tax was imposed within the three-year period of limitation established by law:
  - (A) Income Tax;
  - (B) General Excise Tax;
  - (C) Transient Accommodations Tax;
  - (D) Use Tax;
  - (E) Fuel Tax;
  - (F) Conveyance Tax;
  - (G) Rental Motor Vehicle and Tour Vehicle Surcharge Tax;
  - (H) Nursing Facility Tax; and
  - (I) Insurance Premium tax;
- (2) Requiring that the limitation on collection after the assessment of the abovementioned taxes be suspended for certain periods;
- (3) Authorizing DOTAX to implement an administrative appeals and dispute resolution program to expeditiously resolve all tax, penalty, interest, fine, assessment, and other disputes between DOTAX and taxpayers or return preparers;
- (4) Establishing certain procedures for the appeals and dispute resolution program process and requiring DOTAX to adopt other procedures necessary to implement the appeals and dispute resolution program;
- (5) Requiring DOTAX to implement rules providing examples and safe harbors to explain in clear and unambiguous terms the penalties and fines provided under Hawaii's tax laws that may be imposed against a return preparer or taxpayer for understatement of tax liabilities, promotion of abusive tax shelters, erroneous claims for refund or credit, or substantial understatements or misstatements of tax;
- (6) Stipulating that any and all advice given, or communications made by DOTAX, including but not limited to letter rulings, and determination letters, containing tax advice shall be disclosed to the public under standards and procedures under Section 6110 of the federal Internal Revenue Code of 1986, as amended;
- (7) Requiring that DOTAX provide a taxpayer with a closing audit letter at the conclusion of a tax audit that will confirm, in writing, the department's position on each issue considered in the audit and will provide guidance on how the taxpayer may report these issues for post audit years; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1739, 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. 1739, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 6 on H.B. No. 1422**

The purpose of this bill is to allow counties to remove abandoned motor vehicles from private roads. Specifically, this measure:

- (1) Considers a vehicle on a private road to be unlawfully parked if:
  - (A) The vehicle is inoperable; and
  - (B) The owner of the private road requests in writing the removal of a vehicle;
- (2) Requires the owner of the private road who requests vehicle removal to pay for the removal; and
- (3) Deems the owner of the private road who requests vehicle removal to agree to indemnify and hold the county harmless for claims arising from the removal and disposal of the vehicle.

Some residents abutting private roads are currently experiencing problems with abandoned vehicles left on these roads. Although counties are already allowed to remove abandoned vehicles from public roadways, removing these vehicles from a private road is often more complex and generally requires the involvement of the owner of the road. Since abandoned vehicles often pose a health and safety hazard to the community, your Committee on Conference finds that removal of these vehicles is in the best interest of public health and safety.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2009;
- (2) Changing the sunset date to January 1, 2010; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1422, 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. 1422, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 7 on H.B. No. 1057**

The purpose of this bill is to support investment in a child's future by allowing third parties to make contributions directly into a State-established HI529 college savings account for a designated beneficiary.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1057, 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. 1057, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Chang, C. Lee, Nakashima, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 8 on H.B. No. 876**

The purpose of this bill is to improve condominium operations by, among other things:

- (1) Increasing to \$3,600 the cap on special assessments that condominium associations may impose on foreclosure sale purchasers of a delinquent unit with unpaid common expense assessments; and
- (2) Expanding limitations on association liability for actions taken with regard to certain unit owners or residents requiring services for independent living where residents' actions or non-actions pose a risk to their own health or safety, or that of others.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2009; and



- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 876, 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. 876, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Baker, Taniguchi, Slom.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, none.

Representatives Mizuno, Wakai, Luke, Ward.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Luke).

**Conf. Com. Rep. 9 on H.B. No. 632**

The purpose of this bill is to ensure representation of women veterans' interests on the Policy Advisory Board on Veterans' Services (Board) by requiring three members of the Board to be women.

The Board advises the Director of the Office of Veterans' Services by identifying and developing positions on veterans' issues, and assisting in advocacy, legislative actions, and program development and operations. This bill will strengthen women's voice on the Board.

Your Committee on Conference has amended this bill by:

- (1) Requiring that "at least" three members of the Board to be women; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 632, 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. 632, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Galuteria, Hemmings.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives McKelvey, Evans, Ward.

Managers on the part of the House.

Ayes, 2. Noes, none. Excused, 1 (Evans).

**Conf. Com. Rep. 10 on H.B. No. 615**

The purpose of this bill is to clarify the offense of harassment and the offense of harassment by stalking by including any form of electronic communication within the scope of the offenses.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 615, 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. 615, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Bunda, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Karamatsu, Tsuji, Thielen.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 11 on H.B. No. 590**

The purpose of this bill is to expedite the processing and approval or denial of any permit plan application for the siting, development, construction, and operation of a renewable energy facility by:

- (1) Requiring the permitting agency to provide to the energy resources coordinator its report identifying diligent measures being taken to complete permit processing within 30 days if a completed permit plan application has not been approved or denied within 12 months after approval of the application by the coordinator; and
- (2) Authorizing the energy resources coordinator to deem a permit approved if no further processing and action are reported by the permitting agency within five months following the end of the 30-day agency report period.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 590, 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. 590, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, English, Taniguchi, Green, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Hemmings).

Representatives Ito, Morita, Coffman, Har, Ching.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. 12 on H.B. No. 1071**

The purpose of this bill is to establish with the Commissioner of Financial Institutions, a system to license and regulate servicers of residential mortgage loans secured by real property located in Hawaii.

Your Committee on Conference has amended this bill by making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1071, 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. 1071, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kim, Hemmings.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Cabanilla, Herkes, Sagum, Chong, Souki, Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Chong, Souki).

**Conf. Com. Rep. 13 on H.B. No. 1351**

The purpose of this bill is to allow owners of neighboring agricultural lands to establish private agricultural parks, registered with the Department of Agriculture, to reduce shared costs. This bill also specifies permitted activities within the private agricultural park.

Your Committee on Conference has amended this measure by:

- (1) Requiring each private agricultural park to file an annual report with the Chairperson of the Board of Agriculture;
- (2) Requiring that each annual report include an affidavit that electricity generated and distributed within the private agricultural park was used solely for agricultural purposes within the park;
- (3) Making it effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1351, 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. 1351, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Bunda, Fukunaga, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Bunda).

Representatives Tsuji, Morita, Ito, Evans, Ching.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 14 on H.B. No. 589**

The purpose of this bill is to facilitate the financing and development of renewable energy projects by exempting from subdivision requirements, certain leases and easements for renewable energy projects, together with other security instruments for the financing of these projects. The provisions authorizing the exemption sunset on July 1, 2013.

Your Committee on Conference has amended this bill by:

- (1) Noting in the purpose section the possibility of facilitating projects to promote energy self-sufficiency, while protecting the integrity of state and county laws and their purposes;
- (2) Including within the exemption from the subdivision requirements, the appurtenances associated with the production and transmission of wind-generated energy, not just necessary appurtenances;

- (3) In applying for exemption from the subdivision requirements, requiring the developer of the project and the owner of the land on which the project lies, to submit to the appropriate agency:
  - (A) Either conceptual schematics or preliminary plans and specifications for the project; and
  - (B) A certification and agreement that all applicable and appropriate environmental reviews and permitting shall be completed prior to the commencement of the development of the project;
- (4) Making any material change after June 30, 2013, regarding the leased land or easement area subject to the subdivision requirements;
- (5) Defining "material change" as any material change affecting the location, size, boundaries, or configuration of the leased land or the easement area that would require approval under the subdivision requirements;
- (6) Changing the sunset date to July 1, 2013; and
- (7) Making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 589, 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. 589, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, English, Hee, Green, Kokubun, Hemmings.  
Managers on the part of the Senate.  
Ayes, 6. Noes, none. Excused, none.

Representatives Ito, Morita, Coffman, Har, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

#### **Conf. Com. Rep. 15 on H.B. No. 1045**

The purpose of this bill is to make necessary housekeeping amendments to Chapter 201H, Hawaii Revised Statutes. Specifically, this bill:

- (1) Authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to modify terms, plans, specifications, and other matters relating to projects previously approved by HHFDC;
- (2) Authorizes HHFDC to establish and collect fees for certain administrative expenses incurred by HHFDC; and
- (3) Makes other technical, nonsubstantive changes to conform to the statutorily defined terms.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1045, 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. 1045, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Galuteria, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Cabanilla, Sagum, Chong, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

#### **Conf. Com. Rep. 16 on H.B. No. 975**

The purpose of this bill is to allow the Agribusiness Development Corporation to acquire, or contract to acquire, by grant, purchase, or gift the real, personal, or mixed property comprising an agricultural water system to provide water for irrigation of agricultural lands.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 975, 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. 975, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Kokubun, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Tsuji, Ito, Wooley, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 17 on H.B. No. 1152**

The purpose of this bill is to permit the Department of Public Safety (PSD) to:

- (1) Open more than one account with financial institutions per inmate, and maintain accounts within the PSD for inmate expenses during incarceration and upon release; and
- (2) Exempt payment of interest on the accounts maintained by PSD.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Hanohano, M. Lee, Aquino, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Aquino).

**Conf. Com. Rep. 18 on H.B. No. 618**

The purpose of this bill is to enact the Uniform Prudent Management of Institutional Funds Act to conform the law governing the spending of charitable endowment funds with modern investment and expenditure practices.

Your Committee on Conference finds that Hawaii law prohibits charities from expending endowment funds that fall below the principal of the endowment (historic dollar value). However, under current economic conditions, many endowments may be below their historic dollar value, preventing charities from funding their various programs.

Under this bill, allowable endowment fund expenditures are based upon the value of the fund's entire portfolio, rather than its historic dollar value. This improves the ability of charities to address fluctuations in the value of the endowment.

This bill also streamlines the process for releasing restrictions on the management, investment, or purpose of endowment funds that do not exceed certain value thresholds. Charities will be able to release these restrictions without court approval if the value of the fund is below \$250,000 and after obtaining the Attorney General's consent. For funds with a value of less than \$50,000, the charity may release restrictions without court approval after providing notice to the Attorney General.

Your Committee on Conference has amended this bill by:

- (1) Specifying that this bill applies to charitable funds existing on or established after July 1, 2009, the effective date of this bill; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 618, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 618, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Herkes, Karamatsu, Keith-Agaran, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 19 on H.B. No. 1479**

The purpose of this bill is to obtain better information and ensure payment of fringe benefits on public works projects by requiring that every contract for a public works project, to which a government contracting agency is a party, include in the contract a provision that a certified copy of a fringe benefit reporting form is to be submitted weekly to the governmental contracting agency for review.

Currently, proving that fringe benefit wages were not paid is difficult for an employee as there is no itemized listing of payments of fringe benefit wages on payroll records. At present, employers are only required to check a box indicating that they are in compliance with the payment of fringe benefit wages required under Chapter 104, Hawaii Revised Statutes. By requiring the itemization of these payments, compliance with rules regarding the payment of fringe benefits will be ensured.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that fringe benefits may be reported on any certified form that includes the required fringe benefit reporting information, in lieu of a form supplied by the Department of Labor and Industrial Relations;
- (2) Changing its effective date to October 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1479, 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. 1479, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Taniguchi, Hee.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Rhoads, Yamashita, Nakashima, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 20 on H.B. No. 1676**

The purpose of this bill is to clarify Hawaii's prevailing wage law and ensure payment of prevailing wages on projects financed with special purpose revenue bonds (SPRBs) by requiring project parties to submit a collective bargaining agreement to the Director of the Department of Labor and Industrial Relations which will serve as the basis for compliance with all applicable prevailing wage requirements.

Currently, public works projects require the payment of prevailing wages. In 2007, the Legislature enacted Act 61 which specified that projects funded by SPRBs were considered public works and, therefore, subject to Hawaii's prevailing wage law. Since some companies that finance projects with SPRBs also use their own unionized employees on the particular project, allowing for the properly submitted collective bargaining agreement to serve as the basis for compliance with Hawaii's prevailing wage law appears reasonable.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1676, 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. 1676, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Tsutsui, Bunda.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Bunda).

Representatives Rhoads, Yamashita, B. Oshiro, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 21 on H.B. No. 1103**

The purpose of this bill is to facilitate conformance of state law to federal law to ensure eligibility for federal financial assistance for Independent Living Services and Centers by repealing the statute that establishes the Statewide Council on Independent Living as an entity within the Department of Human Services.

Your Committee on Conference has amended this bill by:

- (1) Amending language to more accurately reflect the bill's purpose; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1103, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1103, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Mizuno, Brower, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 22 on H.B. No. 1070**

The purpose of this bill is to improve the regulation of financial institutions by:

- (1) Allowing financial institutions to temporarily close or relocate branches or agencies for an emergency or other good cause;
- (2) Limiting how much a financial institution may invest in the obligations of any one issuer that is a United States government-sponsored agency originally established or chartered by the United States government to serve public purposes specified by Congress, but whose debt obligations are not explicitly guaranteed by the full faith and credit of the United States, except for investments by banks and savings banks in bonds, notes, mortgage-backed securities, and other debt obligations of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Home Loan Banks; and
- (3) Allowing banks and savings banks to make limited investments in securities and obligations issued by a public-private investment fund established in connection with the Legacy Loans Program and Legacy Securities Program of the United States Treasury and Federal Deposit Insurance Corporation.

Your Committee on Conference finds that the limitations established by the original draft of this bill for investments by financial institutions in certain securities and obligations were prompted by the recent turmoil in global financial markets having a significant and negative impact on many large institutional investors. Given that the main purpose of this bill is to ensure that financial institutions engaging in such activities make prudent investments, this measure may not be the appropriate vehicle for provisions expanding the allowable investments by financial institutions to include securities and obligations that are part of a new federal program that has yet to be fully evaluated.

Your Committee on Conference further finds that the investment limitations imposed by this bill should be consistently applied to all of the financial institutions covered under this measure.

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

- (1) Eliminating the provisions allowing banks and savings banks to invest in securities and obligations issued by a public-private investment fund established in connection with the Legacy Loans Program and Legacy Securities Program of the United States Treasury and Federal Deposit Insurance Corporation;
- (2) Clarifying that investments in securities and obligations of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and Federal Home Loan Banks that are not bonds, notes, mortgage backed securities, or other debt obligations of those entities are subject to the investment limitations of this bill;
- (3) Uniformly applying the investment limitations imposed by this bill on banks, savings banks, savings and loan associations, trust companies, depository financial services loan companies, and credit unions;
- (4) Making this measure effective upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1070, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1070, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives Herkes, Souki, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wakai).

#### **Conf. Com. Rep. 23 on H.B. No. 814**

The purpose of this bill is to ensure the proficiency of health care providers by specifying:

- (1) The renewal period for recertification of nurse aides; and
- (2) The number of continuing education hours required for recertification.

Your Committee on Conference has amended this bill by:

- (1) Removing the per year specification for the number of continuing education hours required for recertification, so that no more than 24 hours are required in general; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 814, 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. 814, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Yamane, Wakai, Nishimoto, Mizuno, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 24 on H.B. No. 28**

The purpose of this bill is to prevent commercial exploitation of human body remains by:

- (1) Prohibiting the sale or display of dead human bodies, including human bodies or remains that have been plastinated through the use of polymers; and
- (2) Increasing the monetary penalty for misuse of a dead human body from \$1,000 to \$5,000.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the display of a dead human body for commercial purposes is prohibited; provided that the prohibition does not apply to a display of a dead human body that:
  - (A) Has been dead for more than 80 years;
  - (B) Consists solely of human teeth or hair;
  - (C) Is part of the ordinary display or viewing of the deceased at a funeral establishment or part of a similar funeral or memorial service;
  - (D) Is an object of religious veneration;
  - (E) Is an object of research or educational display in the possession of any federal, state, or county agency, any public or private institution of higher learning accredited under federal or state law, or any private entity in receipt of a federal, state, or county grant for health-related research; or
  - (F) Is in the possession of a museum facility;
- (2) Changing the definition of "dead human body" to mean an individual who has sustained either irreversible cessation of circulatory and respiratory functions or irreversible cessation of all functions of the entire brain, including the brain stem; provided that the determination of death be made in accordance with accepted medical standards;
- (3) Adding a definition of "museum facility";
- (4) Changing its effective date to upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 28, 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. 28, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Karamatsu, M. Oshiro, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 25 on H.B. No. 358**

The purpose of this bill is to promote the rehabilitation of convicted drug offenders through alternatives to incarceration by authorizing the placement of certain drug offenders in secure drug treatment facilities.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 358, 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. 358, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Hanohano, Karamatsu, M. Lee, Aquino, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. 26 on H.B. No. 262**

The purpose of this bill is to strengthen efforts to address insurance fraud by:

- (1) Replacing the Department of Commerce and Consumer Affairs' (DCCA) Insurance Fraud Investigations Unit with an Insurance Fraud Investigations Branch (Branch) with the expanded authority to prevent, investigate, and prosecute insurance fraud beyond motor vehicle insurance, to include all lines of insurance except workers' compensation;
- (2) Establishing criminal and administrative penalties, and a civil cause of action, for insurance fraud in all covered lines of insurance and for different types of insurance fraud, including fraudulent applications, claims, and sales; and
- (3) Directing the deposit of fines and settlements resulting from insurance fraud prosecutions into the Compliance Resolution Fund to help the Branch cover the cost of preventing, investigating, and prosecuting insurance fraud.

Current law provides DCCA with express jurisdiction over insurance fraud relating to motor vehicle insurance only. Your Committee on Conference finds that because insurance fraud occurs in every line of insurance, Hawaii's insurance fraud law should be expanded accordingly. By broadening DCCA's jurisdiction over insurance fraud, this bill provides a more comprehensive approach to combating this problem and will help reduce premiums and other costs for Hawaii's consumers and businesses.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that licensed attorneys are exempt from the insurance fraud provisions of this bill only in cases where they represent insurance claimants other than themselves;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 262, 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. 262, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Herkes, B. Oshiro, Keith-Agaran, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 27 on H.B. No. 1415**

The purpose of this bill is to require condominium associations, planned community associations, and cooperative housing corporations to implement a policy to provide entry for a process server to serve summonses, subpoenas, notices, or orders where entry to the property is inaccessible to the general public.

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

- (1) Requiring that the policy also:
  - (a) Set forth conditions of time and manner for the person serving civil process to enter and remain on the property; and
  - (b) Allow for immediate ejection from the building or community of a person serving civil process who has not complied with the conditions of access;
- (2) Exempting the association of apartment owners, cooperative housing corporation, or planned community association from liability resulting from the service of civil process being effected if access was granted and from liability to a person upon whom service of process is actually effected;
- (3) Requiring the board of directors of an association of apartment owners of a condominium to identify the individuals providing access to a person serving civil process in its biennial registration beginning January 1, 2010;
- (4) Requiring a cooperative housing corporation or planned community association to make available a printed copy of this policy at the principal point of entry to the building or community;
- (5) Repealing the provisions of this bill on July 1, 2012; and
- (6) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1415, 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. 1415, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.



Representatives Karamatsu, Wakai, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 28 on H.B. No. 541**

The purpose of this bill is to ensure that the civil service benefits of Department of Education (DOE) civil service employees are the same as those provided to civil service employees of other executive branch agencies by:

- (1) Extending from June 30, 2009, to June 30, 2010, the repeal date of the provision giving DOE civil service employees these same civil service benefits; and
- (2) Requiring DOE to submit a report to the Legislature on its progress on establishing an autonomous civil service system, if DOE has not established a separate civil service system by June 30, 2010.

Your Committee on Conference has amended this bill by:

- (1) Extending to June 30, 2011, the repeal date of the provision giving DOE civil service employees the same civil service benefits as those provided to civil service employees of other executive branch agencies;
- (2) Specifying that the report due, if DOE has not established a separate civil service system by June 30, 2010, must be submitted to the Legislature no later than 20 days prior to the convening of the 2011 regular session;
- (3) Clarifying that the report is on DOE's progress on establishing a separate human resources system; and
- (4) Changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 541, 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. 541, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Sakamoto, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, Rhoads, C. Lee, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 29 on H.B. No. 1696**

The purpose of this bill is to improve the operations of the motor vehicle rental industry by:

- (1) Replacing statutory references to "collision damage waiver" with "damage waiver" to clarify that the waiver, under which the motor vehicle lessor agrees for a charge to waive any claim against the lessee for damages to the rental vehicle during the term of the rental agreement, is not restricted to damage from a collision;
- (2) Repealing the requirement that lessors submit information to the Department of Commerce and Consumer Affairs (DCCA) regarding their sale of damage waivers in a given year and amounts expended to repair damage to rental vehicles caused while the vehicles are subject to the damage waiver and instead requiring a lessor to collect and maintain data related to damage waivers and repairs and provide that information to DCCA upon request.
- (3) Allowing lessors to meet damage waiver option disclosure requirements by placing the information in wall holders;
- (4) Repealing the requirement that lessors place notices of vehicle laws in each rental vehicle;
- (5) Repealing the authority of DCCA to prescribe the form of notices and signs required of lessors;
- (6) Modifying the charges that may be assessed against a lessee for damage to a rental vehicle that is neither repaired nor declared a total loss, to allow the lessor to charge up to the costs of the parts and labor necessary to repair the vehicle and prohibiting the lessor from subsequently renting or leasing that vehicle; and
- (7) Prohibiting a lessor from recovering any amount for damages to a motor vehicle from a lessee that the lessor has also recovered from a third party.

Currently, the rental motor vehicle industry must meet certain requirements when notifying individuals renting motor vehicles about Hawaii's motor vehicle laws and collision damage waiver information. This measure simplifies the method by which this information is provided.

This measure also clarifies that a "collision damage waiver" applies to all types of damage a vehicle may sustain while it is being rented. This will avoid any misunderstanding by lessors that a "collision damage waiver" only applies to damages caused by impact with an object.

Finally, this bill attempts to resolve difficulties in determining the diminution in the value of a vehicle that is not repaired or declared a total loss by the lessor that may be considered a per se violation of unfair trade practices by the lessor. Using an estimated cost of repair of the damaged vehicle, as provided for in this measure, while prohibiting the lessor from subsequently renting or leasing that vehicle, would be a more equitable way to value the loss experienced by the lessor from the damaged vehicle.

Your Committee on Conference has amended this bill by:

- (1) Specifying that a lessor shall maintain the records reflecting the data collected by a lessor related to the sale of damage waivers and amounts expended to repair damage to rental vehicles caused while the vehicles are subject to the damage waiver for a period of three years;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1696, 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. 1696, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Herkes, Karamatsu, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 30 on H.B. No. 643**

The purpose of this bill is to protect worker rights by allowing the Contractors Licensing Board to revoke, suspend, or refuse to renew the license of a contractor who knowingly employs individuals who are ineligible for employment within the United States on public works contracts.

Although most businesses follow the laws and rules governing their industries with regard to employment of individuals who are ineligible for employment within the United States, some unscrupulous employers take advantage of these individuals since their employment can often reduce costs. However, the use of illegal workers cheats legal workers out of employment opportunities.

Recent events involving the construction industry resulted in the discovery of a number of these illegal workers. According to the Pacific Resource Partnership, between December 2007 and December 2008 at least 168 illegal undocumented workers were arrested in Hawaii with approximately 103 of these workers being employed by the construction industry.

While federal law regulates eligibility criteria for foreign workers in the United States, states retain a role in regulating state contracting and labor issues and the recent events involving the employment of illegal workers demonstrate the need for this measure.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 643, 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. 643, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Takamine, Taniguchi, Sakamoto.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Sakamoto).

Representatives Rhoads, Karamatsu, Herkes, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

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

The purpose of this bill is to protect individuals from discriminatory employment practices while protecting an employer's access to credit information under certain circumstances by:

- (1) Making it unlawful for an employer to refuse to hire or employ, or to bar or discharge from employment, or otherwise discriminate against any individual because of an individual's credit history or credit report;
- (2) Requiring any inquiry into and consideration of a prospective employee's credit history or credit report to take place only after the prospective employee has received a conditional offer of employment; and
- (3) Excluding the following from the prohibition against refusal to hire or employ, barring or terminating from employment, or otherwise discriminating on the basis of credit history:
  - (A) Employers who are expressly permitted or required to inquire into an individual's credit history for employment purposes pursuant to any federal or state law;
  - (B) Managerial or supervisory employees; and
  - (C) Employers that are financial institutions in which deposits are insured by a federal agency having jurisdiction over the financial institution.

While your Committee on Conference supports a worker's right to confidentiality of their credit history or record, it also recognizes that there may be limited instances where an employer may require the information in a credit report or history. This bill provides the balance between workers' rights and employers' needs by limiting the use of the information to situations that directly relate to an individual's bona fide occupational qualification, while continuing to allow access by employers to credit history information under certain circumstances.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 31, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 31, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Hee, Taniguchi.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Rhoads, Wakai, Karamatsu, Pine.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. 32 on H.B. No. 1611**

The purpose of this measure is to improve food safety by:

- (1) Requiring accurate labeling of meat and fish products that have been gas-treated to enhance product color or to approximate the appearance of freshness; and
- (2) Requiring the Department of Agriculture to post notice of this labeling requirement on its website.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions establishing a violation of labeling requirements as a misdemeanor punishable by a fine and imprisonment;
- (2) Establishing a fine for violation of labeling requirements of:
  - (A) \$1,000 for an initial violation; and
  - (B) \$2,000 for each subsequent violation;
 and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1611, 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. 1611, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Baker, Fukunaga, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Fukunaga).

Representatives Yamane, Herkes, Karamatsu, Tsuji, Finnegan.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 33 on H.B. No. 1776**

The purpose of this bill is to help prevent inmates from receiving public assistance to which they are not entitled by requiring:

- (1) The Department of Public Safety (PSD) to provide the Department of Human Services (DHS) with reports listing newly admitted inmates;
- (2) DHS to identify the status of each inmate on the lists with respect to the inmate's current receipt of public assistance;
- (3) The continuation of public assistance for the duration of the inmate's incarceration for inmates who are sentenced to incarceration in a public institution for not more than 30 days; and
- (4) That public assistance be terminated for inmates who are sentenced to incarceration in a public institution for more than 30 days.

Your Committee on Conference has amended this bill by:

- (1) Providing that DHS will identify the status of each inmate on the monthly lists as well as the initial list provided by PSD to determine the inmate's current receipt of public assistance;
- (2) Deleting provisions requiring:
  - (A) The continuation of public assistance for the duration of the inmate's incarceration for inmates who are sentenced to incarceration in a public institution for not more than 30 days; and
  - (B) That public assistance be terminated for inmates who are sentenced to incarceration in a public institution for more than 30 days;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1776, 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. 1776, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Chun Oakland, Tsutsui, Hemmings.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, none.

Representatives Hanohano, Mizuno, Aquino, Pine.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 34 on H.B. No. 1316**

The purpose of this bill is to strengthen the availability of qualified consultants to highway projects, by limiting the liability of design professionals in certain tort claims relating to the maintenance and design of public highways.

Under this measure, liability for more than the design professional's pro rata share of negligence is restricted to the policy limits of the design professional's coverage for professional errors and omissions, if the design professional's degree of negligence is less than ten percent and the tort claim meets certain criteria regarding:

- (1) The contract amount for design professional services relating to the tort claim;
- (2) The amount of the design professional's gross revenue in the year or years preceding the date of the contract; and
- (3) The coverage amounts of professional errors and omissions liability insurance.

Design professionals include professional engineers, architects, surveyors, and landscape architects licensed under Chapter 464, Hawaii Revised Statutes. This bill seeks to limit the liability of design professionals in highway maintenance and design tort claims as a means of ensuring that these professionals, particularly smaller firms, can afford to work on highway projects.

Your Committee on Conference has amended this bill by:

- (1) Adding a preamble;
- (2) Providing that this measure applies:
  - (A) To tort claims involving the design, construction, and maintenance of all highways; and
  - (B) Where the design professional's degree of negligence is ten percent or less, including the vicarious liability for the negligent acts or omissions of the design professional's officers or employees;
- (3) Capping the design professional's liability under this measure at the available policy limits of professional liability coverage after reduction for prior claim payments made;
- (4) Increasing the thresholds for design professional service contract amounts covered under this bill to:
  - (A) Up to \$500,000 for design professionals with coverage for the tort claim of at least \$1,000,000 per occurrence and \$1,000,000 in the aggregate; and
  - (B) Up to \$1,000,000 for design professionals with coverage for the tort claim of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- (5) Replacing the criteria for design professionals' gross revenue based on the contract amount with a provision limiting the application of this bill to design professionals with a gross annual revenue of at least \$10,000,000 during any of the three calendar years immediately preceding the effective date of the contract for design professional services;
- (6) Providing that information relating to a design professional's gross revenue produced pursuant to this bill is confidential and to be used only for purposes of this measure unless otherwise ordered by the court;
- (7) Adjusting the savings clause;
- (8) Making this measure effective upon its approval; and
- (9) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1316, 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. 1316, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Ige, Sakamoto, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Ige).

Representatives Herkes, Karamatsu, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 35 on H.B. No. 271**

The purpose of this bill is to allow the Registrar of the Bureau of Conveyances (Registrar) to:

- (1) Accept electronic documents for recording;
- (2) Furnish copies of documents and plans in electronic form; and
- (3) Convert into electronic form documents or information received before the authority to record electronic documents was granted to the Registrar.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and to conform to drafting style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 271, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 271, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Karamatsu, Wakai, Har, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 36 on H.B. No. 982**

The purpose of this bill is to gather information about and to assist employees who provide family caregiving services by establishing a web-based, family leave data collection system to gather and analyze family caregiving data for public and private-sector employees, which will be used for the future development and implementation of an efficient state family leave system.

With Hawaii's aging population, more and more adults need some kind of help in caring for themselves. Oftentimes, this caregiving need is met by younger family members who are currently employed and necessitates the use of family leave for these caregiving purposes.

Your Committee on Conference finds that the Legislature noted the difficult situation family caregivers faced when it enacted Act 243, Session Laws of Hawaii 2008 (Act 243). Act 243 established a family leave working group to explore the provision of wage replacement benefits to employees who needed to take time off from work to care for a family member with a serious health condition. Although the working group met a number of times to discuss this issue, they were unable to reach a consensus as to what to do about this problem, due in part to a lack of data with which to develop estimates of the number of participants in a paid leave program and the potential costs of such a program. The data-collection system proposed in this measure should provide needed information for policymakers to make an informed decision on this subject.

Your Committee on Conference has amended this bill by:

- (1) Authorizing the use of Disability Benefits Special Fund monies for the establishment of a family leave data collection system;
- (2) Inserting an appropriation of \$10,000;
- (3) Changing its effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 982, 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. 982, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Tsutsui, Hee.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Rhoads, Chang, Tokioka, M. Lee, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 37 on H.B. No. 1040**

The purpose of this bill is to extend until June 30, 2013, the sunset date of:

- (1) The liability protections for lifeguards; and
- (2) The liability protections for the State and counties for incidents arising on improved public lands when certain warning requirements are met.

Your Committee on Conference has amended this bill by:

- (1) Extending the liability protections until June 30, 2014; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1040, 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. 1040, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Gabbard, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Ito, Karamatsu, Tsuji, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 38 on H.B. No. 366**

The purpose of this bill is to protect manta rays by establishing fines and penalties for knowingly killing or capturing manta rays within state waters.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to upon approval; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 366, 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. 366, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Taniguchi, Fukunaga, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Ito, Karamatsu, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 39 on H.B. No. 983**

The purpose of this bill is to enhance traffic safety, especially around Hawaii schools by requiring the Director of Transportation to:

- (1) Provide federal Safe Routes to School program funds for school-based and community-based workshops and infrastructure and non-infrastructure projects that will reduce vehicular traffic and congestion, encourage walking and bicycling, and promote health and safety around Hawaii's schools, in consultation with the Department of Education, Department of Health, and Hawaii Association of Independent Schools;
- (2) Consider certain conditions in implementing the Safe Routes to School program, including:
  - (A) Creating and filling a permanent, full-time Safe Routes to School coordinator position;
  - (B) Maximizing the participation of stakeholder groups;
  - (C) Training volunteer facilitators, potential grant requestors, and stakeholder groups; and
  - (D) Allocating at least ten percent and not more than 30 percent of federal Safe Routes to School program funds for non-infrastructure-related activities;

- (3) Develop a streamlined process for the federal Safe Routes to School grant program that meets federal and state requirements, simplifies the application process, and expedites release of funding; and
- (4) Submit a report of the status and progress of the program prior to the convening of the Regular Session of 2010.

Traffic congestion continues to increase around Hawaii's schools. This, in turn, causes parents, who worry about the safety of their children, to drive their children to school, causing even more congestion around schools and increasing safety risks for students. Providing Safe Routes to School Program funds for school-based and community-based workshops, infrastructure and non-infrastructure projects to promote alternative methods of transportation to school, and streamlining and simplifying the grant process for these funds, will not only alleviate traffic congestion but increase student safety.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 983, 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. 983, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, English, Tsutsui, Galuteria, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Souki, Berg, Awana, M. Lee, Ching.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 40 on H.B. No. 813**

The purpose of this bill is to designate September as "Language Access Month" to promote awareness of language access for government services and emphasize the importance of and need for language access in Hawaii's diverse society.

Your Committee on Conference notes that on August 11, 2000, President Clinton issued an executive order directing all federal agencies to publish written policies on how recipients can provide access to persons of limited English proficiency and improve language accessibility to its programs.

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

- (1) Adding language recognizing the August 11, 2000, executive order; and
- (2) Changing "Language Access Month" from September to August.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 813, 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. 813, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ihara, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ihara).

Representatives Manahan, Keith-Agaran, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 41 on H.B. No. 1141**

The purpose of this bill is to exempt certain users from the ban on the operation of thrill craft in undesignated waters of the state. Specifically, this bill:

- (1) Exempts from the ban, authorized film production permit holders and government personnel conducting operations approved by the Department of Land and Natural Resources (DLNR);
- (2) Repeals the exemption for film production permit holders on June 30, 2014; and
- (3) Requires DLNR and the Hawaii Film Office to submit annual reports to the Legislature on thrill craft use by authorized film production permit holders.

Your Committee on Conference has amended this bill by making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1141, 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. 1141, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Fukunaga, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Manahan, McKelvey, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 42 on H.B. No. 1379**

The purpose of this bill is to ensure that a person's wishes regarding end-of-life care are followed by allowing the use of a standardized "physician orders for life sustaining treatment form" (Form), which states an individual's wishes regarding end-of-life treatment in all pre-hospital and health care settings.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that the person authorized to take action on behalf of an incapacitated patient is the patient's surrogate;
- (2) Deleting the requirement that a patient's surrogate be designated by the patient;
- (3) Allowing health care providers other than a patient's physician to explain to a patient the nature and content of the Form;
- (4) Allowing the surrogate of an incapacitated patient to revoke a Form;
- (5) Clarifying that a health care provider will not be deemed to be at fault for carrying out treatment orders in a Form in good faith;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1379, 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. 1379, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Yamane, Karamatsu, Nishimoto, M. Lee, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 43 on H.B. No. 1512**

The purpose of this bill is to allow a family court judge to issue an ex parte temporary restraining order (TRO) to:

- (1) Grant exclusive care of a pet animal or equine animal to a party; and
- (2) Restrain both parties from taking, concealing, removing, threatening, physically abusing, or otherwise disposing of any pet animal or equine animal whose exclusive care has been granted to a protected party.

Your Committee on Conference notes that this measure is intended to protect the well-being of animals and that its language should not be construed to impede a person from or penalize a person for taking or removing an animal requiring urgent veterinary care to an appropriate facility or person, or for allowing an animal to be euthanized by a veterinarian if the veterinarian deems the procedure appropriate under the circumstances.

Your Committee on Conference has amended this bill by:

- (1) Requiring both parties to be covered by the TRO to preclude the possibility that one party might misuse the TRO process with the intent of gaining control over and abusing an animal;
- (2) Requiring that a party seeking the TRO identify to the court the animals that are a part of a household and in need of protection;
- (3) Deleting references and definitions of "pet animal" and "equine animal" to allow the court greater discretion in granting protection to animals; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1512, 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. 1512, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Nishihara, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.



Representatives Karamatsu, Tsuji, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 44 on H.B. No. 640**

The purpose of this bill is to eliminate undue delays for certain actions that involve the installation, improvement, renovation, construction, or development of infrastructure (including roadway improvements, waterlines, wastewater lines and facilities, drainage facilities, and electrical, communication, and cable utilities) within a public right-of-way or highway by clarifying that such projects are exempt from Chapter 343, Hawaii Revised Statutes, the environmental review law.

Your Committee on Conference has amended this bill by:

- (1) Inserting a preamble;
- (2) Clarifying that the exemption from the environmental review law under this bill applies to any primary action requiring a permit or approval that is not subject to a discretionary consent and involving a secondary action that is ancillary and limited to infrastructure development within a public right-of-way or highway;
- (3) Eliminating the provision disqualifying projects involving infrastructure that may have a significant effect on the environment from the exemption under this measure;
- (4) Inserting a definition for "discretionary consent";
- (5) Changing the effective date to July 1, 2009, with a sunset date of July 1, 2011; and
- (6) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 640, 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. 640, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, English, Taniguchi, Kokubun, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Hemmings).

Representatives Morita, Ito, Souki, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 45 on H.B. No. 1470**

The purpose of this bill is to update the Hawaii Public Procurement Code (Code) to expedite Hawaii's ability to use and benefit from federal economic stimulus funds by, among other things:

- (1) Exempting federal General Services Administration-approved sole source vendors from the Code in procurements funded by state and federal matching funds;
- (2) Increasing the \$50,000 limit on procurements qualifying for certain small purchase procedures, to \$100,000 for goods or services, and \$250,000 for construction;
- (3) Strengthening the preference for Hawaii products by:
  - (A) Defining "Hawaii input";
  - (B) Increasing from 25 percent to more than 50 percent, the percentage of Hawaii input needed for a product to qualify as a Hawaii product;
  - (C) Establishing two classes of Hawaii products, class I where the Hawaii input exceeds 50 percent, and class II where an agricultural or similar product is raised grown, or harvested in the state;
  - (D) Providing a ten percent reduction in the bid price for class I products, and 15 percent for class II products;
  - (E) Allowing Hawaii product offerors to self-certify, subject to invalidation of the contract and the penalties of debarment or suspension;
- (4) Requiring dismissal of protests based on an inadvertent error in the competing bid amounting to not more than one percent of the bid amount;
- (5) Establishing a limit of 30 days for administrative review of procurement decisions, ten days to transmit the record of administrative proceedings to the Circuit Court, and 30 days for judicial review;
- (6) Limiting protests of bid and request for proposals contract awards under section 103D-302 or 103D-303, Hawaii Revised Statutes (HRS), to matters equal to not less than ten percent of the contract value; and
- (7) Requiring the initiating party to pay a cash or protest bond equal to one percent of contracts valued at \$1,000,000 or more, which must be forfeited to the State if the party does not prevail.

Your Committee on Conference has amended this bill by:

- (1) Restricting the performance bond requirement for small purchase construction procurements, to contracts of more than \$50,000;
- (2) Providing that no exemptions from the Code apply to fresh meats, produce, animals, and plants, other than those listed in section 103D-102(b), HRS;
- (3) Removing the definitions of "Hawaii component" and "Hawaii product";
- (4) Removing the provisions requiring dismissal of protests concerning inadvertent errors amounting to less than one percent of the bid amount;
- (5) Requiring the State Procurement Office to keep statistics of protests of the solicitation or award of a contract, including protests involving inadvertent errors, for the purpose of improving procurement procedures;
- (6) Making fact finding under section 91-10, HRS, of the Administrative Procedure law, applicable to the administrative review of a procurement decision, instead of the Hawaii Rules of Evidence;
- (7) Requiring administrative hearings officers to issue a written decision no later than 45 days after receiving a request for review;
- (8) Providing that persons protesting the solicitation or award of a contract under the bid or request for proposals procedures of section 103D-302 or 103D-303, HRS:
  - (A) May request an administrative review if:
    - (i) The contract has an estimated value of less than \$1,000,000 and the protest concerns a matter that is greater than \$10,000; or
    - (ii) The contract has an estimated value of \$1,000,000 or more, and the protest concerns a matter equal to no less than ten percent of the contract;
  - (B) Must post a cash or protest bond:
    - (i) In the amount of \$1,000 for a contract with an estimated value of less than \$500,000;
    - (ii) In the amount of \$2,000 for a contract with an estimated value of \$500,000 or more, but less than \$1,000,000;
    - (iii) In the amount of one-half percent of the total estimated value of the contract if the total estimated value of the contract is \$1,000,000 or more, and capping the bond at \$10,000; and
    - (iv) Which must be deposited into the general fund if the initiating party does not prevail;
- (9) Providing that if an application for judicial review is not resolved by the 30th day from filing, the court shall lose jurisdiction and the decision of the hearings officer shall not be disturbed;
- (10) Allowing the procurement protest and dispute provisions of the bill to be evaluated by providing that they will sunset on July 1, 2011; and
- (11) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1470, 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. 1470, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives McKelvey, Choy, B. Oshiro, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 46 on H.B. No. 128**

The purpose of this bill is to update, organize, and clarify, as well as make minor substantive amendments to, current campaign finance laws.

Your Committee on Conference notes that this measure does not revise current substantive law regarding contribution limits to candidate committees or noncandidate committees; the language in this measure is identical to that currently codified in HRS 11-204(a) and 11-204(b). Your Committee on Conference does not consider it prudent to address new or clarified limitations on such contributions at this time due to pending appellate judicial review of *Charmaine Tavares Campaign v. Barbara U. Wong* by the Intermediate Court of Appeals.

Your Committee on Conference has amended this bill by:

- (1) Amending certain definitions for clarity and consistency;
- (2) Restricting the limitation on contributions by contractors with the State to contributions by non-bid contractors only;
- (3) Allowing for pro-rata attribution of contributions by partnerships and limited liability companies considered as partnerships by the Internal Revenue Service among the partners or members;

- (4) Specifying the manner in which contributions by partnerships and limited liability companies will be treated;
- (5) Increasing the limit on contributions by non-residents from 20 percent to 30 percent of the total contribution received by a candidate or candidate committee for each election period;
- (6) Providing that campaign funds to be used for donations to public schools or public libraries are subject to limitations similar to those for donations to community service or educational organizations already allowed under current law;
- (7) Specifying that each candidate who qualified for the maximum amount of public funding in any primary election and who is a candidate for a subsequent general election must apply with the Campaign Spending Commission to be qualified to receive the maximum amount of public funds; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 128, 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. 128, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Takamine).

Representatives Karamatsu, B. Oshiro, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 47 on H.B. No. 1713**

The purpose of this bill is to alleviate hazardous situations on private property resulting from falling branches, unstable rock and soil conditions, and flooded streams and waterways. This bill allows state employees to mitigate the hazardous situation after giving notice to the landowner and occupier of the private property and providing them a reasonable opportunity to resolve the situation.

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

- (1) Clarifying that one of the applicable actions involves the need to cut, trim, or remove dangerous trees or branches that pose a hazard to one or more other properties;
- (2) Specifying that a ten days' notice also be provided to the occupier of the private property;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1713, 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. 1713, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Taniguchi, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Karamatsu, Hanohano, Aquino, Nakashima, Wooley, Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 48 on H.B. No. 994**

The purpose of this bill is to establish space tourism in Hawaii and expand the technology sector of our economy by appropriating moneys out of the Airport Revenue and Tourism Special Funds to apply to the Federal Aviation Administration (FAA) for a spaceport license.

Space tourism could significantly increase state revenue sources, provide new aerospace jobs, and rejuvenate economic development in the Kalaeloa area. However, as only a few spaceport licenses are available from the FAA, timely passage of this measure is essential.

Your Committee on Conference has amended this bill by:

- (1) Making technical, nonsubstantive amendments to ensure that the funds appropriated from the Airport Revenue and Tourism Special Funds may be expended by the Department of Business, Economic Development, and Tourism for the spaceport license application;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making other technical, nonsubstantive amendments for clarity consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 994, 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. 994, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Tsutsui, Nishihara, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives McKelvey, Choy, Manahan, Wakai, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 49 on H.B. No. 1174**

The purpose of this bill is to enable the University of Hawaii (UH) to better carry out its management obligations regarding activities and uses that take place on the Mauna Kea lands that it leases or over which it acquires control or jurisdiction. This bill clarifies and adds certainty to the law relating to UH's authority to manage and control public and commercial activities on the Mauna Kea lands by:

- (1) Authorizing the UH Board of Regents (BOR) to charge fees and enter into lease agreements for the Mauna Kea lands, adopt rules to regulate public and commercial activities on Mauna Kea lands, and establish and collect administrative fines for violations;
- (2) Establishing the Mauna Kea Lands Management Special Fund for UH to manage the Mauna Kea lands; and
- (3) Requiring annual reports to the Legislature.

Your Committee on Conference has amended this bill by:

- (1) Including any recreational activities, rather than only snow play activities, in the types of public and commercial activities that could be covered by administrative rules;
- (2) Requiring the BOR to hold at least one public hearing, in addition to the public hearing at which decision-making on the proposed rule is made, on the island of Hawaii;
- (3) Clarifying that the penalty for the third violation of a rule within five years of a prior violation and any subsequent violation, shall not exceed \$10,000;
- (4) Changing its effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1174, 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. 1174, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kokubun, Tsutsui, Takamine, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

Representatives Chang, Karamatsu, M. Oshiro, Nakashima, Tsuji, Ching.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 50 on H.B. No. 1471**

The purpose of this bill is to promote local agriculture by:

- (1) Establishing the Food Certification Pilot Program (Program) within the Department of Agriculture (DOA) to:
  - (A) Encourage farmers to form agricultural cooperatives;
  - (B) Coordinate purchasing agreements between the agricultural cooperatives and hotels, restaurants, and other buyers in the visitor and hospitality industries; and
  - (C) Develop and implement safe food certification for products under the Program for at least 100 farmers each year;
 and
- (2) Establishing the Food Certification Pilot Program Special Fund (Special Fund) and appropriating funds for the Program.

Your Committee on Conference has amended this bill by:

- (1) Adding a purpose and findings section describing the nexus between agriculture and the tourism industry;
- (2) Changing the name of the Program to the Safe Food Certification Pilot Program;
- (3) Removing the requirement that at least 100 farmers be certified under the Program each year;

- (4) Removing the establishment of the Special Fund;
- (5) Changing the source of funding from general revenues to the Tourism Special Fund (TSF);
- (6) Appropriating \$140,000 from the TSF to be transferred to DOA to administer the Program for the 2009-2010 fiscal year; and
- (7) Changing the effective date to July 1, 2009, and repealing the measure on June 30, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1471, 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. 1471, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Fukunaga, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Fukunaga).

Representatives Manahan, Tsuji, Tokioka, Wooley, Marumoto.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 51 on S.B. No. 199**

The purpose of this measure is to limit claims for a number of business tax credits for taxable years beginning January 1, 2009, and ending before January 1, 2011, to seventy-five per cent of the taxpayer's liability for the taxable year in which the credit is claimed.

The measure also:

- (1) Prohibits tax credit carryovers into subsequent taxable years of any business credit generated between January 1, 2009, and December 31, 2010;
- (2) Applies to tax credits under the income tax law, public service company tax law, taxation of banks and other financial corporations law, and the insurance code; and
- (3) Includes a list of tax credits that are exempt from the limitations provided for in this measure.

Upon further consideration, your Committee has amended S.B. No. 199, S.D. 1, H.D. 1, by:

- (1) Changing the amount of the tax credit claim limitation from seventy-five per cent to ninety per cent of a taxpayer's tax liability and removing references to "business tax credits" and replacing it with the high technology business investment tax credit and the technology infrastructure renovation tax credit;
- (2) Providing for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Temporarily removing the partner distributive share tax incentive for the high technology business investment tax credit;
- (4) Temporarily suspending the capital goods excise tax credit for one year to coincide with the federal capital goods excise tax credit under section 179 of the Internal Revenue Code; and
- (5) Repealing the entire measure on January 1, 2012, instead of January 1, 2015.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 199, 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. 199, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.

Managers on the part of the House.

Ayes, 5. Ayes with Reservations, 1 (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 52 on S.B. No. 1111**

The purpose of this measure is to increase the transient accommodations tax to an unspecified amount beginning July 1, 2009, and require that the additional revenues collected be deposited into the general fund.

Your Committee upon further consideration has made the following amendments to S.B. No. 1111, S.D. 1, H.D. 1, by:

- (1) Providing for an additional increase on the gross rental or gross rental proceeds derived from furnishing transient accommodations, to be deposited into the general fund, of:
  - (A) One per cent for the period beginning July 1, 2009, to June 30, 2010; and
  - (B) Two per cent for the period beginning July 1, 2010, to June 30, 2015;
- (2) Providing that the measure shall be repealed on June 30, 2015;

- (3) Changing the effective date of the measure to July 1, 2009; and
- (4) Making technical changes for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1111, 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. 1111, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Kokubun, Nishihara.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 53 on S.B. No. 603**

The purpose of this measure is to promote competition in the telecommunications marketplace by requiring the Public Utilities Commission to treat local exchange intrastate services as fully competitive with regard to costs, rates, and pricing and to consider wireless, voice over internet protocol (VOIP), and other telecommunications technology providers when determining competition in the switched access telecommunications market.

Your Committee finds that advances in technology make wireless and VOIP telephone services a reasonable substitute for traditional land line, or switched access, service for many consumers. However, many other consumers, especially low income consumers and those in remote areas, remain dependent on switched access. It is the intent of your Committee that critical telecommunications services such as Lifeline phone rates remain undisturbed by this measure. Your Committee finds that this measure will update Hawaii's regulatory framework for telecommunications providers and create market parity among all phone service providers by regulating wireless and VOIP providers in the same manner as switched-access providers.

Your Committee has amended this measure by:

- (1) Clarifying that this measure applies notwithstanding section 269-16.9, Hawaii Revised Statutes; and
- (2) Deleting language that would have made the amendments made by this measure effective on July 1, 2009; and
- (3) Specifying that a telecommunications carrier shall not charge a higher rate for any retail telecommunications service than the rate included in the carrier's filed tariff without the approval of the public utilities commission.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 603, 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. 603, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives Herkes, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 54 on S.B. No. 1065**

The purpose of this measure is to exempt, under certain conditions, sales of electricity generated by the Natural Energy Laboratory of Hawaii Authority (NELHA) from renewable energy sources from regulation by the Public Utilities Commission when those sales are made to users located on adjacent property that is leased from the State.

Your Committee finds that this measure will make NELHA more efficient and cost-effective and enable it to better serve its tenants and adjoining small businesses located on land leased from the State.

Your Committee upon further consideration has amended this measure by changing the effective date from "January 1, 2112" to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1065, 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. 1065, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Fukunaga, Baker, Green, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Morita, McKelvey, Herkes, Evans, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 55 on S.B. No. 281**

The purpose of this measure is to allow the counties to prohibit or regulate the use of electric personal assistive mobility devices on sidewalks and bicycle paths.

The intent of your Committee on Conference is to enhance the safety of pedestrian sidewalk and bicycle path traffic. Your Committee finds that electric personal assistive mobility devices, also known as Segways, present unique problems to sidewalk pedestrian and bicycle path use which depends on the character of each neighborhood. Each county is better able to judge for itself the permissible use of Segways on sidewalks and bicycle paths. Your Committee also believes that this matter is a home-rule issue that should be delegated to the counties.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 281, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 281, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Gabbard, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Awana, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 56 on S.B. No. 711**

The purpose of this measure is to clarify that the length of an articulated bus for public transit purposes must not exceed eighty-two feet in length, and shall not consist of more than three units.

The intent of your Committee on Conference is to provide greater efficiency in the movement of passengers through a public transit system by allowing larger articulated buses to operate on public roadways.

Your Committee on Conference has amended this measure by changing the effective date to upon its approval, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 711, 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. 711, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Gabbard, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Awana, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 57 on S.B. No. 659**

The purpose of this measure is to amend the disclosure requirements for recipients of monetary awards by the State. More specifically, this measure:

- (1) Eliminates the requirement that the North American Industry Classification System code be part of the information that is posted on the website; and
- (2) Requires the Department of Accounting and General Services to collaborate with the Department of Budget and Finance to collect and post on the website information about awards issued by the State.

Your Committee has amended this bill by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 659, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 659, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives M. Oshiro, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (M. Lee).

**Conf. Com. Rep. 58 on S.B. No. 971**

The purpose of this measure is to conform state tax law to certain amendments to the Internal Revenue Code for calendar year 2008.

This measure also makes certain penalty provisions under the Internal Revenue Code operative under state tax law.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions making certain penalty provisions under the Internal Revenue Code operative for purposes of state tax law; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 971, 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. 971, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Hooser, Kidani, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Choy).

**Conf. Com. Rep. 59 on S.B. No. 714**

The purpose of this measure is to allow all motor vehicles, regardless of number of persons on board, to use high occupancy vehicle lanes or zipper lanes when one or more lanes of traffic moving in the same direction have been shut down by law enforcement officers or emergency services personnel; provided that the Director of Transportation has declared an emergency and opened the high occupancy vehicle lanes or zipper lanes for this use.

The intent of your Committee on Conference is to alleviate traffic congestion due to lane closures stemming from traffic incidents or accidents. Your Committee finds that many traffic incidents cause closure of lanes, whether accidents, car crashes, stalled vehicles, or other issues. This reduction of available travel lanes slows traffic significantly. Allowing the use of the high occupancy vehicle lanes or zipper lanes to any motor vehicle, regardless of the number of passengers when an incident occurs would be the most effective use of lanes.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 714, 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. 714, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Gabbard, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Har, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 60 on S.B. No. 564**

The purpose of this measure is to clarify fire inspection laws by:

- (1) Clarifying that the county fire chiefs or their designees are authorized to inspect all buildings and facilities, except state-owned airport facilities, and not only those that are state-owned or county-owned; and
- (2) Requiring fire safety inspections at least once every five years or as often as practicable or necessary instead of every two years for all buildings other than public schools.

Your Committee on Conference finds that requiring the County Fire Chief, or the Chief's designee, to inspect all buildings and facilities at least once every five years or as often as deemed practicable or necessary provides the County Fire Chief with much needed flexibility in carrying out inspection duties. Limited resources are available to the County Fire Chief and over the years the number of facilities to inspect has greatly increased. This measure ensures that resources are focused on buildings and facilities that are more in need of immediate inspection, thus ensuring that fire prevention and pre-fire planning issues are timely addressed.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the County Fire Chief is authorized to inspect all buildings and facilities; and



- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 564, 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. 564, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, English, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Hanohano, M. Lee, Aquino, Pine.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 61 on S.B. No. 1183**

The purpose of this measure is to statutorily authorize and require the Hawaii Civil Rights Commission to define in administrative rules certain definitions for purposes of discriminatory employment practices.

Specifically, this measure requires the Hawaii Civil Rights Commission to define:

- (1) "Major life activities";
- (2) "Being regarded as having such an impairment";
- (3) "Disability";
- (4) "Substantially limits"; and
- (5) Other operative terms,

to conform state law protections against disability discrimination in employment to the American with Disabilities Act Amendments Act of 2008, Pub. L. 110-325.

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

- (1) Placing the provisions that require the Hawaii Civil Rights Commission to adopt rules to define the foregoing terms in Session Laws rather than codifying these provisions in the Hawaii Revised Statutes;
- (2) Including a requirement that the Hawaii Civil Rights Commission complete the rulemaking process no later than December 31, 2010; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1183, 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. 1183, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Takamine, Taniguchi.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Rhoads, Mizuno, Ito, Pine.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 62 on S.B. No. 868**

The purpose of this measure is to update and clarify the duties of the Energy Resources Coordinator to oversee statewide energy resource planning to develop local, non-fossil fuel energy sources in order to decrease Hawaii's dependence on imported fossil fuels and realize the State's long-term goal of energy independence.

Your Committee on Conference finds that there is a need to coordinate the development of the State's energy resources to provide energy security by increasing the use of indigenous renewable energy and reducing the State's overdependence on oil.

Your Committee on Conference has amended this measure by changing its effective date from "July 1, 2020" to "July 1, 2009."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 868, 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. 868, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Herkes, M. Oshiro, Coffman, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 63 on S.B. No. 470**

The purpose of this measure is to amend certain provisions relating to liquor industry licensing, practices, and adjudication process. Among other things, this measure:

- (1) Allows liquor license issuances and renewals for applicants complying with an installment plan agreement for the payment of delinquent taxes;
- (2) Allows a certain amount of the fines collected from licensees each year to be used for public liquor-related educational or enforcement programs;
- (3) Amends the statute on liquor license transfers to more accurately reflect modern business enterprise organizations; and
- (4) Extends the time frame for liquor commissions to grant or refuse a liquor license application following a public hearing.

This measure is the result of a comprehensive review of chapter 281, Hawaii Revised Statutes, conducted by the four county liquor control departments, including their commissions and adjudication boards, and in cooperation with industry representatives. As such, it will provide clarity and consistency for both businesses and the entities charged with regulating liquor licensing in the State.

Your Committee has amended this measure by changing the effective date to upon its approval, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 470, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 470, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Karamatsu, Keith-Agaran, Yamashita, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Yamashita).

**Conf. Com. Rep. 64 on S.B. No. 203**

The purpose of this measure is to deter unlicensed contractor activity by increasing monetary sanctions for violations involving unlicensed contractor activity.

Your Committee finds that while unlicensed contractor activity can be disruptive of health, safety, and consumer protection standards, licensed contractors who make a sincere effort to remain in compliance with applicable laws and rules should not be subject to unduly harsh penalties for inadvertent or minor violations. Your Committee acknowledges that this measure is the result of a collaborative effort among the Department of Commerce and Consumer Affairs and various stakeholders to deter unlicensed contractors from avoiding licensing and oversight. Your Committee notes, however, that it is not the intent of this measure to impose an unintentionally severe penalty for a minor or inadvertent compliance violation. Your Committee further notes that the Department of Commerce and Consumer Affairs has communicated its intention to remain flexible and to use reasonable discretion in imposing financial penalties.

Your Committee has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 203, 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. 203, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, B. Oshiro, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 65 on S.B. No. 35**

The purpose of this measure is to exempt certified public accountants and public accountants, who are already subject to regulation by the Board of Public Accountancy, from the definition of "distressed property consultant" under the Mortgage Rescue Fraud Prevention Act, chapter 480E, Hawaii Revised Statutes.

Under current law, a public accountant or certified public accountant is prevented from performing routine accounting services to assist with financial matters that may arise relating to the foreclosure process. Your Committee finds that, although protection of financially vulnerable homeowners is critical, public accountants and certified public accountants are already subject to regulation by

the Board of Public Accountancy, which supplies adequate protection to consumers of public accounting services through existing licensing standards and disciplinary procedures.

Your Committee has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 35, 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. 35, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Espero).

Representatives Herkes, B. Oshiro, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 66 on S.B. No. 34**

The purpose of this measure is to exempt licensed real estate brokers and salespersons acting within the scope of their licenses from the definition of “distressed property consultant” under the Mortgage Rescue Fraud Prevention Act, chapter 480E, Hawaii Revised Statutes. This measure also prohibits a real estate broker or salesperson from acquiring an ownership interest in distressed property within two years after a listing agreement for the distressed property has expired or is terminated.

Under current law, a real estate licensee is prohibited from participating in short sale transactions that allow a homeowner at risk of foreclosure to negotiate a reduced payment price with a lender in order to avoid the long-term consequences of foreclosure. Your Committee finds that protecting homeowners who are in a financially vulnerable position is of paramount importance. Your Committee is also aware that the potential for conflicts of interest or abuse does exist when real estate licensees are involved in short sale negotiations. However, your Committee finds that existing civil and criminal penalties in Hawaii’s real estate licensure and fraud-prevention statutes are adequate to protect consumers. Further, this measure adds additional protections to the current law by prohibiting a real estate licensee from acquiring an ownership interest in property for a period of time after the property is listed with the licensee for a short sale.

Your Committee has amended this measure by:

- (1) Changing the period during which a real estate licensee is prohibited from acquiring an ownership interest in distressed property from two years to three hundred sixty-five days;
- (2) Making it effective upon approval; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in its language.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 34, 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. 34, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives Herkes, B. Oshiro, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 67 on S.B. No. 914**

The purpose of this measure is to conform certain provisions of the Hawaii Revised Statutes relating to the Temporary Assistance for Needy Families (TANF) program to recent changes in federal regulation by:

- (1) Adding definitions for “non-work eligible household”, “work eligible household”, and “other work eligible household”, and deleting the definition of “exempt household”; and
- (2) Amending section 346-53, Hawaii Revised Statutes, to incorporate the new definitions.

Your Committee finds that this is a housekeeping measure to bring Hawaii law in conformity with the terminology used in the Code of Federal Regulations relating to the TANF program.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive amendments for consistency; and
- (2) Amending the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 914, 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. 914, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Mizuno, M. Oshiro, Brower, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 68 on S.B. No. 440**

The purpose of this measure is to require that infrastructure for affordable housing shall be deemed dedicated to the county if the county does not accept or reject the request for dedication of infrastructure within ninety days of the filing of the dedication request; provided that:

- (1) Meter, connection fees, and utility costs have been paid;
- (2) The infrastructure conforms to applicable county standards in effect at the time of construction; and
- (3) The county has approved completion of the improvements.

Your Committee on Conference has amended this measure by making the effective date of the Act upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 440, 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. 440, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, English, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Cabanilla, Ito, Chong, Har, Ching.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 69 on S.B. No. 389**

The purpose of this measure is to require the Legislative Reference Bureau to review the memorandum of understanding between the Department of Education and the Department of Budget and Finance for the allotment of capital improvement projects, with the goal of replicating the processes of the memorandum of understanding for use by other state agencies with many capital improvement projects that are predominantly funded by general obligation bonds.

The measure requires the Legislative Reference Bureau to include concerns or recommendations of both departments regarding the current memorandum of understanding, required changes to adapt the memorandum of understanding for other state agencies, and a proposed timetable for adoption of the processes of the memorandum of understanding by other state agencies. The measure also requires analysis of certain pertinent issues. The Legislative Reference Bureau is required to consult with, at a minimum, the Departments of Education and Budget and Finance and other government agencies. Finally, this measure requires the Legislative Reference Bureau to report findings, recommendations, and any proposed legislation to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

Upon further consideration, your Committee has amended this measure by changing the effective date from July 1, 2020, to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 389, 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. 389, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Takumi, Tokioka, Har, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 70 on S.B. No. 300**

The purpose of this measure is to require class 5 dispenser liquor licensees authorized to sell liquor for consumption on the premises to maintain a certain amount of liquor liability insurance coverage as a condition of obtaining, renewing, or transferring a license.

Your Committee on Conference finds that liquor licensees have a high exposure to potential lawsuits for personal injuries for the serving of liquor to patrons who may excessively imbibe and then cause an accident to a third party. The provision of general liability insurance would mitigate such exposure.

Your Committee on Conference has amended this measure by:

- (1) Requiring an applicant for a class 2, class 4, class 5, class 6, class 11, class 12, class 13, class 14, or class 15 license to maintain liquor liability insurance coverage in an amount of \$1,000,000;
- (2) Requiring for the foregoing classes, proof of liability insurance by the applicant as a prerequisite to issuance or renewal of a liquor license, and by the transferor and transferee for transfer of a liquor license, and allowing the suspension or termination of a license for failure to maintain the liability insurance;
- (3) Requiring proof of coverage to be kept on the premises and made available for inspection by the Liquor Commission at any time during the licensee's regular business hours; and
- (4) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 300, 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. 300, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Herkes, Karamatsu, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 71 on S.B. No. 605**

The purpose of this measure is to:

- (1) Require the Department of Health to add the dBC decibel weighting system to the current dBA decibel weighting system for purposes of community noise control;
- (2) Set permissible maximum sound levels for nighttime, and grant the Department of Health and the county liquor commissions the authority to enforce these limits; and
- (3) Direct the county liquor commissions, with the assistance from the Department of Health and the Department of Labor and Industrial Relations, to develop recommendations for a permanent maximum sound level, in decibels.

Your Committee on Conference finds that low-frequency noise that can emanate from nightclubs and other liquor establishments, particularly within urban areas, is problematic, and that the current noise control laws do not adequately address this type of noise. However, enforcing noise level restrictions meant to address these urban concerns within agricultural areas may have the unintentional effect of prohibiting agricultural activities.

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

- (1) Limiting its application to areas within the urban land use district, as designated pursuant to section 205-2, Hawaii Revised Statutes; and
- (2) Changing its effective date from "July 1, 2050" to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 605, 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. 605, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Fukunaga, Hooser, Ihara, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Fukunaga, Hooser).

Representatives Morita, Herkes, B. Oshiro, Coffman, Marumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 72 on S.B. No. 1066**

The purpose of this measure is to increase the number of directors for the Natural Energy Laboratory of Hawaii Authority to thirteen, by adding two tenant representative directors.

Your Committee on Conference has amended this measure by changing its effective date from "July 1, 2112" to "July 1, 2009".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1066, 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. 1066, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Fukunaga, Kim, Green, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Fukunaga).

Representatives Morita, McKelvey, Coffman, Evans, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Evans, McKelvey).

**Conf. Com. Rep. 73 on S.B. No. 55**

The purpose of this measure is to suspend the requirement that firms obtain a permit to practice public accountancy until one hundred eighty days after the effective date of administrative rules prescribing the methods and requirements for firm permit applications.

Under current law, public accountancy firms are required to obtain a permit for the firm to practice public accountancy in addition to the individual permits required of members of the firm who practice accountancy. The current law empowers the Board of Accountancy to enact rules for issuing firm permits. However, your Committee finds that the Board of Public Accountancy has never enacted rules for awarding firm permits and, therefore, firm permits have never been issued. This exposes every public accounting firm in the State to liability under the law for operating without a permit and curtails out-of-state business opportunities for public accountancy firms because the Board's inaction forces all firms to remain out of compliance with the State's regulatory requirements.

Your Committee, upon further consideration, has amended this measure by:

- (1) Amending its purpose section to accurately reflect the contents of the measure;
- (2) Adding a provision to require the Director of Commerce and Consumer Affairs to report the progress and status of the rule-making process to the Legislature no later than twenty days before the convening of the Regular Session of 2010; and
- (3) Adding a provision to require the Director of Commerce and Consumer Affairs to notify the Legislature and to provide public notice of the adoption of administrative rules prescribing the methods and requirements for a firm to apply for and obtain a permit to practice public accountancy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 55, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Herkes, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 74 on S.B. No. 50**

The purpose of this measure is to set terms and conditions for leases of public lands without public auction to renewable energy producers.

Specifically, this measure:

- (1) Authorizes the Board of Land and Natural Resources, after at least one public hearing, to lease public lands to renewable energy producers who provide certain indicators of the project's viability; and
- (2) Grants the renewable energy producer a right of first refusal upon the renewal of its lease.

Your Committee finds that recent events have led to the need for increased community involvement in the issuance of long-term leases for renewable energy producers. This measure provides for an open process that allows for the fair evaluation of multiple energy producers interested in the same public lands for energy projects and ensures that current leases will not be terminated if the lessee is in full compliance. Your Committee believes that current lessees and energy producers can come together with the shared vision of an increased local food supply and locally-produced energy.

Your Committee has amended this measure by:

- (1) Creating a new section of chapter 171, Hawaii Revised Statutes, instead of amending section 171-95, Hawaii Revised Statutes;
- (2) Deleting the authorization of involuntary withdrawal of property from the lease of public lands if the withdrawal is less than twenty-five per cent of the production attributable to the leased land;
- (3) Increasing the number of public hearings required to lease public land to a renewable energy producer from one to two;
- (4) Requiring that any action taken by the Board of Land and Natural Resources upon a proposal subject to this measure shall take place on the island where the public land to be leased for the proposed renewable energy project is located; and
- (5) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 50, 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. 50, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Gabbard, Fukunaga, Kokubun, Hemmings.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Ito, Morita, Har, Nakashima, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 75 on S.B. No. 892**

The purpose of this measure is to update the Insurance Code by:

- (1) Updating statutory references;
- (2) Clarifying allowable investments in common trust funds, mutual funds, and exchange traded funds;
- (3) Imposing a time limit for claiming the Retaliatory Tax Credit;
- (4) Allowing a limited adjuster license for crop insurance claims;
- (5) Updating continuing education requirements;
- (6) Clarifying rate filing requirements, including the acceptance of electronic filing; and
- (7) Authorizing the Insurance Commissioner to require insurance license applicants to provide fingerprints and conduct criminal history record checks.

Your Committee finds that this measure is necessary to bring Hawaii's insurance industry into conformity with best practices in insurance regulation and to respond to changes in the industry. Your Committee notes that the provisions relating to issuance of a surplus lines broker license and continuing education requirements for insurance licensees are based on recommendations by the National Association of Insurance Commissioners (NAIC) and reflect a policy of achieving greater uniformity in insurance regulation across states. Greater uniformity will make insurance regulation less burdensome and simpler for insurers, producers, regulators, and consumers. Further, the audit provisions in this measure are required by the NAIC as a condition of continuing accreditation.

Your Committee has amended this measure by:

- (1) Adding a provision to specify that the annual audits required of each domestic insurer in this State shall be prepared in accordance with the National Association of Insurance Commissioners accounting practices and procedures manual and rules adopted by the Insurance Commissioner;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for the purpose of accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 892, 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. 892, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Ige, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Herkes, Ito, Keith-Agaran, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 76 on S.B. No. 1069**

The purpose of this measure is to require the Hawaii Community Development Authority (HCDA) to collaborate with and consider the recommendations of the Kakaako Makai Community Planning Advisory Council (Council) in developing, accepting, and implementing any plans for the development of the Kakaako makai area within the Kakaako Community Development District (District).

This measure also specifies that any transfer of property in the Kakaako makai area of the District to any state or county agency shall be upon the condition that the agency shall be required to collaborate with the Council and consider the recommendations of the Council in the development, acceptance, and implementation of any plan for the transferred property.

Your Committee finds that the Council is a diverse group of stakeholders who have worked for two years to develop a vision and guiding principles for the development of the Kakaako makai area. Your Committee understands that the HCDA will include the Council in the next process, which is to develop a master plan and rules for the Kakaako makai area, and this measure will ensure the Council's role in that process.

Your Committee has amended this measure by:

- (1) Clarifying the boundaries of the Kakaako makai area to mean the area within the District that is from the east side of Kewalo basin at the ewa wall of Ala Moana Park, to Forrest Avenue, and from Ala Moana Boulevard to the ocean; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1069, 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. 1069, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Bunda, Fukunaga, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Ito, Har, Brower, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 77 on S.B. No. 1107**

The purpose of this measure is to provide transparency, accountability, and efficiency in the Real Estate Commission's condominium education programs by merging the Condominium Management Education Fund into the Condominium Education Trust Fund.

Your Committee finds that this measure is intended to promote transparency for and accountability to the individual condominium owners who pay into the Condominium Education Trust Fund through payment of association fees. Accordingly, your Committee notes that the provision in section 514B-73(d)(1), Hawaii Revised Statutes, which requires a statement reflecting which educational programs were directed specifically at the education of condominium owners, is intended to ensure that education programs that benefit individual condominium owners, and not just condominium boards, are provided. This reporting requirement will help ensure that individual condominium owners receive education regarding their rights and responsibilities under condominium property regimes.

Your Committee has amended this measure by:

- (1) Clarifying that all payments that have previously been deposited into the Condominium Management Education Fund pursuant to sections 514A-40(c), 514A-131, 514A-132, and 514A-133, Hawaii Revised Statutes, shall be deposited into the Condominium Education Trust Fund as provided in sections 514B-71, 514B-72, and 514B-73, Hawaii Revised Statutes;
- (2) Specifying that the report to the Legislature required under section 514B-73(d), Hawaii Revised Statutes, shall include a statement of which educational programs were directed toward the education of condominium owners and a line item reflecting the total amount collected from condominium associations; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1107, 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. 1107, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Tsutsui, Espero, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Espero).

Representatives Wakai, Keith-Agaran, Marumoto.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 78 on S.B. No. 1259**

The purpose of this measure is to amend chapter 128D, Hawaii Revised Statutes, in order to promote the cleanup and reuse of contaminated properties by:

- (1) Providing relief for bona fide prospective purchasers and innocent contiguous property owners from liability under chapter 128D, Hawaii Revised Statutes; and
- (2) Establishing consistency between state and federal laws after the passage of the federal Small Business Liability Relief and Brownfields Revitalization Act, P.L. 107-118.

Your Committee on Conference has amended this measure by:

- (1) Conforming statutory references and citations to more closely mirror the federal statute;
- (2) Changing its effective date from "January 1, 2046" to "upon its approval"; and
- (3) Making a technical, nonsubstantive amendment for style and consistency.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1259, 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. 1259, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Morita, Ito, Karamatsu, Har, Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 79 on S.B. No. 1338**

The purpose of this measure is to prohibit real estate contracts, agreements, and rules from precluding or rendering ineffective the use of clotheslines on the premises of single-family dwellings or townhouses.

Your Committee on Conference finds that use of clotheslines decreases the amount of energy used by households by as much as ten per cent, which is not only beneficial for the environment, but can also substantially reduce such households' monthly electricity bill. Your Committee on Conference also finds that this measure strikes a good balance between the competing goals of allowing single-family dwelling and townhouse residents to use clotheslines and authorizing homeowners associations to set reasonable rules regarding the use of clotheslines.

Your Committee on Conference has amended this measure by changing its effective date from "July 1, 2020" to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1338, 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. 1338, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Cabanilla, Coffman, Chong, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Chong).

**Conf. Com. Rep. 80 on S.B. No. 19**

The purpose of this measure is to provide a procurement preference to a contractor in a public works construction contract of not less than \$250,000 if the contractor is a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations at the time of general bidding.

Your Committee on Conference finds that the economic downturn currently being faced across the nation, including in Hawaii, has resulted in both state and federal governments looking to public works projects as a near term means of stimulating the economy. As public works are expected to play a large role in immediate, as well as longer term, economic recovery efforts, it will be essential for the state to have a well-trained workforce skilled in the various construction trades. As many of these individuals gain their best knowledge of a particular trade through apprenticeship programs, providing incentives for contractors to offer and maintain these programs will work toward developing the necessary skilled workforce to carry on public works projects for years to come.

Your Committee on Conference has amended this measure by correcting statutory cross-references to the appropriate section in chapter 103D, Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 19, 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. 19, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Rhoads, Yamashita, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 81 on S.B. No. 1**

The purpose of this measure is to rehabilitate the natural populations of all Hawaiian opihī species and establish a new direction for the management of the fishery.

Specifically, this measure:

- (1) Establishes a five-year moratorium on the harvesting of opihī on Oahu; and

- (2) Establishes a ban on taking or harvesting opihi statewide, subject to open and closed seasons and the traditional rights of certain ahupuaa tenants.

Your Committee finds that breeding adult opihi needs to be protected to ensure opihi populations will replenish themselves. Opihi have free swimming larvae which can disperse from the no take areas into areas where harvest is legal. Oahu requires more drastic actions to rehabilitate its opihi populations due to overharvesting.

Your Committee has amended this measure by:

- (1) Amending the closed seasons to be from February 1st through May 31st and September 1st through November 30th, to accurately reflect the opihi breeding cycles;
- (2) Including a bag limit for the open seasons of one quart of opihi with shells attached, or one half pint of opihi without shells attached, per day; and
- (3) Amending the effective date to upon approval while retaining the June 30, 2014, repeal date.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1, 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. 1, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Fukunaga, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Karamatsu, Sagum, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Sagum).

#### **Conf. Com. Rep. 82 on S.B. No. 1268**

The purpose of this measure is to encourage the development of affordable housing by the Department of Hawaiian Home Lands (DHHL) by:

- (1) Authorizing the counties to issue affordable housing credits to DHHL, and to deny or approve a request for the transfer or assignment of those credits by DHHL; and
- (2) Providing that the credits are to be issued on a one-for-one basis and limiting the application of the credits to the same county in which the credits were earned to satisfy affordable housing obligations imposed by the county.

Your Committee finds that private-sector development of affordable homes for DHHL beneficiaries is a key element in helping to solve Hawaii's affordable housing shortfall. By increasing the supply of homes on DHHL properties, the overall supply of homes in the State is increased, thus making more homes available for the people of Hawaii. Allowing affordable housing credits to be applied to other projects located in the same county in which the credits are earned may serve as an incentive for the private sector to participate with the DHHL affordable housing program.

Your Committee has amended this measure by:

- (1) Creating a new subsection of 46-15.1, Hawaii Revised Statutes, to require that each county issue affordable housing credits to DHHL upon request;
- (2) Removing the county approval process of any transfer of the issued affordable housing credits; and
- (3) Changing the repeal date of the measure to June 30, 2015 and providing, upon such repeal, for the reenactment of section 46-15.1, Hawaii Revised Statutes, in the form in which it read on the day before the enactment of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1268, 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. 1268, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Sakamoto, English, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (English).

Representatives Carroll, Cabanilla, Sagum, Chong, Shimabukuro, Ward.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

#### **Conf. Com. Rep. 83 on S.B. No. 91**

The purpose of this measure is to update and improve services provided by the Community-based Economic Development Technical and Financial Assistance Program by, among other things:

- (1) Allowing the Hawaii Community-based Economic Development Revolving Fund to receive funding from any source;

- (2) Deleting the prohibition against reallocating loan funds to the grant program that could cause an insufficient availability of funds to make loans;
- (3) Reducing the cap on the outstanding balance of loans issued to any one applicant under Community-based Economic Development from \$500,000 to \$250,000; and
- (4) Reducing the maximum interest rate for loans from ten to six percent.

Your Committee on Conference finds that it is fiscally responsible to authorize the Hawaii community-based economic development revolving fund to receive monies from sources other than the general fund. Your Committee also finds that this measure will allow community-based organizations in the State to keep pace with the changing economy. Your Committee further finds that it is the right time to revise chapter 210D, Hawaii Revised Statutes, in order to help community-based organizations meet the challenges of the most distressed communities in this State.

Your Committee on Conference has amended this measure by:

- (1) Clarifying its purposes;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 91, 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. 91, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives McKelvey, Choy, Ward.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ward).

#### **Conf. Com. Rep. 84 on S.B. No. 536**

The purpose of this measure is to preserve the quality of Hawaii's night sky by reducing light pollution. Specifically, this bill requires the Department of Business, Economic Development, and Tourism, with assistance from a temporary advisory committee, to develop a statewide starlight reserve strategy and intelligent lighting and light pollution law.

Your Committee on Conference finds that the quality of the night sky in Hawaii is unique and is a valuable natural resource that needs to be protected. Your Committee also finds that specific practices and safeguards are necessary to preserve the quality of the night sky in Hawaii for continued astronomical observation that is superior to the rest of the United States. Your Committee further finds that the development and implementation of a starlight reserve strategy will help to prevent the night sky in Hawaii from light pollution.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the temporary advisory committee is an advisory "working" committee;
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 536, 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. 536, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Baker, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Morita, Ito, Coffman, Evans, Yamashita, Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

#### **Conf. Com. Rep. 85 on S.B. No. 1222**

The purpose of this measure is to clarify the misdemeanor offense of cruelty to animals in the second degree by including intentionally, knowingly, or recklessly:

- (1) Confining or causing to be confined, in a kennel or cage, any pet animal in a cruel or inhumane manner;
- (2) Tethering, fastening, chaining, tying, or restraining a dog to a dog house, tree, fence, or any other stationary object by means of a choke collar, pinch collar, chain collar, or prong collar, or any restraint that would allow the dog to choke or become

entangled; provided that a person is not prohibited from using such restraints when walking a dog with a hand-held leash or while a dog is engaged in a supervised activity.

This measure also:

- (1) Clarifies the definition of “necessary sustenance” to include the requirement that an area of confinement for a cat or dog have adequate space for the cat or dog to stand up, turn around freely, and lie down;
- (2) Decreases from twenty to fifteen, the number of dog, cats, or combination of dogs and cats required to be possessed for the animal hoarding statute to apply; and
- (3) Extends the sunset date of Act 128, Session Laws of Hawaii 2008, relating to animal hoarding from July 1, 2011 to July 1, 2015.

Your Committee on Conference has amended this measure by:

- (1) Deleting amendments to the definition of “necessary sustenance”;
- (2) Clarifying the prohibition on dog tethering to delete references to chaining and chain collars; and
- (3) Changing the effective date from July 1, 2050 to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1222, 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. 1222, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Karamatsu, Ito, Tsuji, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. 86 on S.B. No. 113**

The purpose of this measure is to protect dental patients by authorizing the Board of Dental Examiners to revoke or suspend the license of a dentist for false or misleading advertising.

Your Committee on Conference finds that this measure will strengthen the current statutes regarding sanctions for the false or misleading advertising of licensed dentists who advertise a specialty practice without possessing the appropriate credentials.

Your Committee on Conference has amended this measure by inserting an “upon approval” effective date.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 113, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 113, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Green, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Yamane, Wakai, Karamatsu, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Finnegan).

#### **Conf. Com. Rep. 87 on S.B. No. 931**

The purpose of this measure is to protect public health from the potential spread of disease by authorizing the Department of Health, when the Director of Health finds that reasonable cause exists, to demand entry onto any premises, public or private, for the purpose of securing or collecting any samples necessary to conduct epidemiologic investigations.

Your Committee on Conference finds that the interruption, containment, and prevention of outbreaks of dangerous diseases depend on timely epidemiological investigations that often include the collection of samples to determine the source and track the spread of the disease. One of the most common reasons for the Department of Health to conduct an epidemiologic investigation is the outbreak of food borne disease, such as *E. coli* or salmonella. However, such investigations have been impeded by individuals who fail to cooperate with the Department. This measure remedies the situation by ensuring timely access to samples needed for these investigations to ensure that the public health will not be compromised.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the purpose of entry onto a premises is for an administrative investigation;
- (2) Defining “administrative investigation” to mean any investigation, independent of a criminal investigation, that is conducted for the purpose of determining the existence of disease or series of injuries deemed by the Department to threaten the public health or safety. An administrative investigation may involve the examination of real or personal property, records,

equipment, buildings, products, by-products, wastes, processes, activities, environmental conditions (i.e., air, soil, and water quality), or other property or activities;

- (3) Replacing "natural resource, or hazardous material samples" with "environmental samples";
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 931, 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. 931, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Baker.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Ito, Finnegan.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 88 on S.B. No. 932**

The purpose of this measure is to improve the early diagnosis of human immunodeficiency virus infections by removing significant procedural barriers to human immunodeficiency virus testing.

Your Committee on Conference finds that this measure will enable early detection and treatment of the human immunodeficiency virus and lower the risk of transmitting the human immunodeficiency virus to others.

Your Committee on Conference has amended this measure by changing the effective date to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 932, 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. 932, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Taniguchi, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Yamane, Ito, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 89 on S.B. No. 1073**

The purpose of this measure is to provide a cleaner, healthier environment in state correctional facilities by authorizing smoking for employees and volunteers of a correctional facility only in areas designated by the warden of the facility that are outside a correctional facility and restricted from access by inmates or detainees.

Your Committee on Conference finds that most states across the nation have implemented smoke-free prison systems that have created a healthier environment for inmates and staff alike, reducing the risk of tobacco related diseases.

Your Committee on Conference further finds that the correctional facilities in Hawaii prohibit smoking by inmates. This measure provides the next positive step to establishing a healthier work environment for everyone at the facility.

Your Committee on Conference has amended this measure by inserting a July 1, 2009 effective date.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1073, 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. 1073, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Espero, Green, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Yamane, Hanohano, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 90 on S.B. No. 1195**

The purpose of this measure is to enhance the ability of the State to plan and make decisions supporting the growth of science and technology industries in the State by:

- (1) Amending the reporting requirement under the Research and Statistics for Growth Industries Program, by requiring the Department of Business, Economic Development, and Tourism to annually report to the Legislature on the criteria used to measure the growth of Hawaii's emerging growth industries, instead of reporting on the impact of the Department of Business, Economic Development, and Tourism's efforts on those industries;
- (2) Amending the economic objectives and policies of the Hawaii State Planning Act to require planning to include developing and expanding businesses and activities in science, technology, and related emerging growth industries; and
- (3) Including, in section 226-6(b), Hawaii Revised Statutes, a new policy to achieve the State's general economic objectives, stimulating the development of economic activities such as defense, dual-use, and science and technology assets, rather than incorporating this as one of the general objectives.

Your Committee on Conference finds that it is essential to plan for science and technology initiatives that will play an instrumental role in developing Hawaii's economy to enable the State to capitalize on the financial opportunities that emerging industries involving science and technology often present. Your Committee on Conference also finds that requiring the Department of Business, Economic Development, and Tourism to revise the criteria they use in measuring the growth of emerging growth industries in Hawaii will provide the Legislature with a more complete perspective of the economic opportunities available to Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that in updating its reports on the growth of emerging growth industries, the Department shall collaborate with non-profit economic research "activities", rather than "groups";
- (2) Amending section 226-6(a), Hawaii Revised Statutes, to require that the objectives and policies for planning the State's economy shall include objectives aimed at stimulating the development and expansion of activities related to defense, dual-use, and science and technology assets, especially on the neighbor islands, rather than incorporating this as a new policy to achieve the State's general economic objectives in section 226-6(b), Hawaii Revised Statutes;
- (3) Clarifying that in achieving the federal expenditures objective, it shall be the policy of the State to promote Hawaii's supportive role in national defense "in a manner", rather than "while remaining", consistent with Hawaii's social, environmental, and cultural goals;
- (4) Referring to renewable energy development, creative media, and science and technology-based "sectors", rather than activities in describing the potential growth activity objective policy for the State; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1195, 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. 1195, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Hee, Hemmings.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives McKelvey, Ito, Wakai, Yamashita, Ward.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 91 on S.B. No. 764**

The purpose of this measure is to alleviate the economic burden on lessees of certain commercial, industrial, and agricultural properties by:

- (1) Requiring, for commercial and industrial leases that include a provision that rental amounts shall be based on a "fair and reasonable" annual rent, that the provision shall be construed to require that rent be fair and reasonable to both the lessor and the lessee, taking into account all relevant attendant circumstances;
- (2) Requiring, for leases of agricultural lands classified by the Land Study Bureau as Class A or B in counties with a population of over 500,000 where the lessee has made improvements or is seeking to make improvements to the land, that renegotiations of the lease shall include an extension of the lease for not less than seventy-five per cent of the original lease term; and
- (3) Prohibiting the amendment of a land use district boundary for Class A or B agricultural lands where:
  - (A) A farming operation as defined in section 165-2, Hawaii Revised Statutes, is being conducted on the land;
  - (B) The land is important for agriculture based on the stock of similarly situated lands in the area;
  - (C) The district boundary amendment would harm the productivity or viability of existing agricultural activity in the area; and
  - (D) The district boundary amendment would cause fragmentation of or intrusion of nonagricultural uses into largely intact areas of Class A and B agricultural lands.

Your Committee finds that small businesses are essential to the strength and diversity of Hawaii's economy. Your Committee further finds that despite their contribution to the State's economy, small businesses are at a disadvantage in terms of land ownership since the commercial and industrial properties that exist within the State's urban districts are primarily owned by a few landowners

who lease parcels of land to small businesses. Your Committee finds that the proximity of small businesses to urban communities is a stabilizing factor, in terms of both localized economy and neighborhood character, that is especially important during the current recessionary period.

Your Committee finds that this measure will help to stabilize Hawaii's economy by addressing some of the burdensome or vague provisions of existing commercial and industrial leases of certain lands within urban districts without substantial reduction in the economic benefit to landowners, without impairing existing lease contracts, and without the taking of any property rights without due process of law.

Your Committee has amended this measure by:

- (1) Deleting the portions of this measure that apply to agricultural lands;
- (2) Deleting provisions that specified that interpretation of "fair and reasonable" rental amount shall include consideration of:
  - (A) Past renegotiation practices and policies throughout the previously renegotiated lease rents; and
  - (B) The gross income generated by the lessee on the renegotiation date;
- (3) Specifying that the renegotiation of rent provisions shall apply to a lessee who is a master lessee only if:
  - (A) The master lessee agrees to limit any sublease rental amounts renegotiated or renewed to the lesser of the "fair and reasonable" amount or the rental amount as calculated under the renewal or renegotiation provisions of the sublease; or
  - (B) The master lessee agrees to make a good faith effort to require a sublessor who subleases to another person to limit any sublease rental amount renegotiated or renewed to the lesser of the "fair and reasonable" amount or the rental amount as calculated under the renewal or renegotiation provisions of the sublease;
- (4) Defining "sublease" to mean a conveyance subleasing privately owned land by a master lessee or sublessor to any person or entity in consideration of a return of rent or other remuneration;
- (5) Adding a savings clause;
- (6) Changing the effective date to July 1, 2009;
- (7) Adding a provision to repeal this Act on June 30, 2010 and specifying that this Act does not apply to any lease or sublease scheduled for renegotiation after June 30, 2010; and
- (8) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 764, 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. 764, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives McKelvey, Tsuji, Karamatsu, B. Oshiro, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (B. Oshiro).

**Conf. Com. Rep. 92 on S.B. No. 1005**

The purpose of this measure is to encourage and protect artists and other persons in Hawaii's performing arts and related industries for an unspecified number of years after death by:

- (1) Establishing a property right in the commercial use of a person's name, voice, signature, or likeness;
- (2) Providing remedies for infringements on the right;
- (3) Providing for an unspecified amount for a minimum damages award for infringement upon the right granted by this measure;
- (4) Requiring all transferees of publicity rights to register with the Department of Commerce and Consumer Affairs; and
- (5) Providing that common law rights or other statutory rights, whether derived from state or federal law.

Your Committee on Conference finds that protecting an individual or personality's publicity rights will be invaluable to writers, composers, and recording artists in Hawaii. These individuals deserve to have confidence that the laws of Hawaii protect the commercial value of their name, voice, signature, photograph, or likeness. Your Committee on Conference also finds that this measure tempers the exploitation of the names, voices, signatures, photographs, and likenesses of a deceased individual or personality without any compensation to their heirs.

This measure is based upon a law in the State of Washington that has sustained minimal challenges in its enforcement over the past decade. As such, as your Committee on Conference sought to address various concerns raised by representatives of the recording and motion picture industries, as well as those involved in online commerce, and your Committee on Conference believes that it has balanced the interests of performing artists and their heirs against the commercial needs of well-established music, film, digital media and other Internet-based industries.

Your Committee on Conference has amended this measure by:

- (1) Adding a definition for “characteristic”;
- (2) Amending the definition of “likeness” to include a photograph;
- (3) Adding a definition for “photograph”;
- (4) Adding a definition for “publicity rights trade name registration”, which exempts any potential liability or duty for the Department of Commerce and Consumer Affairs related to a trade name registration;
- (5) Adding that the individual’s rights protected in this measure are exclusive to the individual, or other entitled persons, for a period of seventy years after the death of the individual;
- (6) Clarifying that the statutory damages for the infringement of a right protected in this measure to be the greater of \$10,000 or the actual damages sustained from the infringement;
- (7) Providing that the search of an individual’s name on an internet search engine shall be exempt from statutory damages;
- (8) Providing that a court may order the impounding, destruction, or reasonable impounding of all materials used in violation of the injured party’s rights pursuant to Rule 65 of the Hawaii Rules of Civil Procedure;
- (9) Providing that the property of a common carrier, internet service provider, internet search engine provider, or other similarly situated entity shall be exempt from the destruction or reasonable disposition requirements, unless that entity receives written notice of the infringement, pursuant to 17 United States Code section 512(c), and fails to remove the material expeditiously after receipt of the written notice;
- (10) Adding that the use or authorization to use a display in a certain manner shall be exempt from the restrictions provided for in this measure;
- (11) Deleting the registration requirements with the Department of Commerce and Consumer Affairs for transferees to bring an action or recover damages from an infringement action;
- (12) Deleting the requirement for the Department of Commerce and Consumer Affairs to maintain a registry of all transferees;
- (13) Adding the requirement for a licensee to use the publicity rights trade name registration of another individual or personality, for the licensee to first inform the individual or personality in writing of the pending assignment or license to use their publicity rights trade name registration;
- (14) Providing a licensee with a complete defense to an infringement action if the licensee receives a bona-fide publicity rights trade name registration;
- (15) Deleting section -9, pertaining to common law rights or other statutory rights, whether derived from state or federal law;
- (16) Changing the effective date to upon approval; and
- (17) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1005, 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. 1005, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Manahan, B. Oshiro, Choy, Tokioka, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Choy, Tokioka).

**Conf. Com. Rep. 93 on S.B. No. 1206**

The purpose of this measure is to specify that, in a county with a population of at least 500,000 people, a county board of water supply may issue revenue bonds in its own name if so authorized under the county charter.

The intent of your Committee on Conference is to enable the various county boards of water supply to issue revenue bonds, in counties with a population of at least five hundred thousand persons. Your Committee finds that current economic conditions make it necessary to develop additional sources of funds for the acquisition and distribution of potable water.

Your Committee on Conference has amended this measure by:

- (1) Restructuring the amending language to clarify that all boards in counties with a population of 500,000 persons or more are authorized to issue revenue bonds in the board’s own name, if authorized to do so by county charter; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1206, 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. 1206, S.D. 1, H.D. 1, C.D. 1.



Signed by the Chairs on behalf of the Committee.

Senators English, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Har, Ward.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 94 on S.B. No. 1665**

The purpose of this Act is to enhance the workforce development capacity of Hawaii's community colleges by:

- (1) Establishing a skilled worker and business development center at each community college to provide workforce development to meet the rapidly evolving needs of both employers and employees;
- (2) Establishing an advisory board for the skilled worker and business development center;
- (3) Requiring a progress report to the 2010 Legislature; and
- (4) Appropriating unspecified moneys out of the unemployment trust fund from moneys deposited pursuant to section 383-123(b), Hawaii Revised Statutes, for the purpose of the Act.

Your Committee on Conference finds that skilled worker and business development centers that would be established by this measure are particularly critical in responding to the economic downturn that the State faces in the foreseeable future.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$2,400,000 for fiscal year 2009-2010 out of the unemployment trust fund, with \$200,000 to each community college of the University of Hawaii System; and
- (2) Making the effective date of this Act July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1665, 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. 1665, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Takamine, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Chang, Rhoads, Yamashita, Coffman, Nakashima, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Rhoads, Pine).

**Conf. Com. Rep. 95 on S.B. No. 1223**

The purpose of this bill is to preserve the credibility of the "Made in Hawaii" label by:

- (1) Prohibiting the use of the phrase "Made in Hawaii" as an advertising or media tool for items unless the items meet specified criteria; and
- (2) Directing the Department of Agriculture (DOA) to convene a working group composed of interested stakeholders to identify labeling issues relating to the Hawaii-made Products Law and propose workable solutions, including solutions for enforcement.

Your Committee finds that the "Made in Hawaii" label is an important designation and should be a clear indication that a product was produced in Hawaii and is substantially composed of materials from Hawaii. Your Committee further finds that preserving the integrity of the "Made in Hawaii" label is important from an economic standpoint as well as to honor the local artisans who keep native traditions alive through art. A meaningful "Made in Hawaii" label benefits local artisans and craftspersons who are currently forced to compete at an unfair disadvantage in the marketplace against unethical producers who unfairly imply that mass-produced, imported, or counterfeit goods are made in Hawaii through labeling or other means. The "Made in Hawaii" label also benefits the tourism industry when high-quality unique goods are presented across the world as examples of Hawaii's culture.

Your Committee further finds that the "Made in Hawaii" label was never intended to function as a barrier to commerce for manufacturers of food and other perishable items that employ many Hawaii residents and use the largest possible amount of locally produced raw materials or ingredients. Accordingly, your Committee finds that it is appropriate to specify that perishable consumer commodities containing ingredients that originate both inside and outside of the State may be identified as Hawaii products as long as at least fifty-one per cent of the wholesale value of the perishable consumer commodity is added by manufacture, processing, or production within the State.

Finally, your Committee finds that the working group created by this measure is intended to serve as a means for the full spectrum of stakeholders to participate in the regulation of made in Hawaii products. Your Committee encourages the members of the working group to consult openly with each other and with other interested parties, including representatives from the counties.

Your Committee has amended this measure by:

- (1) Adding a definition of "craft item";
- (2) Adding a definition of "perishable consumer commodity";
- (3) Clarifying the prohibition on using the phrase "Made in Hawaii" as an advertising tool for craft items that are not manufactured, assembled, fabricated or produced within the State and that have not had at least fifty-one per cent of wholesale value added within the State;
- (4) Adding a provision to prohibit the use of the phrases "Made in Hawaii", "Produced in Hawaii", "Processed in Hawaii", or other misrepresentation of the local origin of perishable consumer commodities through the use of labels or advertising unless the perishable consumer commodity is wholly or partially manufactured, processed, or produced within the State and has had at least fifty-one per cent of its wholesale value added within the State;
- (5) Revising the composition of the working group created by this measure to remove representatives of the counties and to include representatives of Hawaii Farm Bureau Federation, Hawaii Food Manufacturers Association, and Hawaii Food Industry Association;
- (6) Adding a savings clause;
- (7) Changing the effective date to July 1, 2009; and
- (8) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1223, 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. 1223, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives Tsuji, Herkes, Wooley, Wakai, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 96 (Majority) on S.B. No. 539**

The purpose of this measure is to ensure that the reentry needs of persons committed to correctional facilities are being evaluated and met in an effective and appropriate manner by establishing a Reentry Intake Services Division within the Department of Public Safety under chapter 353C, Hawaii Revised Statutes.

This measure also requires the newly established Reentry Intake Services Division to:

- (1) Work closely and collaborate with county furlough programs managed by the Department's Institutions Division, the Department's Corrections Program Services Division, and the Hawaii Paroling Authority; and
- (2) Assume the programs and services of the Department's existing Intake Service Center Division.

Your Committee on Conference finds that expanding upon the services and programs that the existing Intake Service Center Division provides to include reentry services and programs is complementary to the initiatives and goals of the existing Intake Service Center Division. Your Committee on Conference also finds that requiring close collaboration with the furlough programs of each county, the Hawaii Paroling Authority, and the Corrections Program Services Division will ensure that the reentry needs of inmates will be met in a successful manner. However, your Committee on Conference believes that these statutory provisions are more appropriately placed in chapter 353, Hawaii Revised Statutes, relating to Corrections.

Your Committee on Conference has amended this measure by:

- (1) Establishing "Reentry Intake Service Centers", rather than a Reentry Intake Service Division, by renaming the Intake Service Centers currently established in section 353-10, Hawaii Revised Statutes;
- (2) Requiring the renamed Centers to assume the additional responsibility of providing for the successful reentry of inmates into the community by evaluating and addressing the present and future reentry needs of inmates and working closely and collaboratively with furlough programs in the counties, the Hawaii Paroling Authority, and the Corrections Program Services Division;
- (3) Sunsetting the Legislative Oversight Committee established by section 353H-21, Hawaii Revised Statutes;
- (4) Requiring the establishment of a Reentry Commission within the Department of Public Safety to work with the Department in monitoring and reviewing the comprehensive offender reentry program;
- (5) Changing the effective date to September 1, 2009; and
- (6) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 539, 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. 539, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Bunda, Kidani, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, 1 (Hemmings). Excused, none.

Representatives Hanohano, M. Lee, Aquino, Pine.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Pine).

**Conf. Com. Rep. 97 on S.B. No. 851**

The purpose of this measure is to bring Hawaii's child support enforcement laws into conformance with federal law.

Your Committee finds that the state child support enforcement law does not comply with Title IV-D of the Social Security Act in that it:

- (1) Provides for the unnecessary expenditure of funds in the disbursement of support moneys to custodial parents and requires original copies of certified mail receipts for proof of service;
- (2) Is ambiguous as to whether other state child support enforcement agencies may enforce child support liens of this State; and
- (3) Exposes obligors to identity theft by requiring an obligor's full social security number on the notice of child support lien.

Your Committee finds that this measure addresses the foregoing concerns by:

- (1) Clarifying the requirement that all income withholding payments be sent to the Child Support Enforcement Agency or to another state's child support agency acting under Title IV-D of the Social Security Act;
- (2) Requiring the custodial parent to elect to receive child support payments through an electronic benefits transfer system or direct deposit and if such election is not made, allowing the Child Support Enforcement Agency to determine a method that complies with Title IV-D of the Social Security Act;
- (3) Accepting an electronic copy or facsimile of a signature on certified mail receipts as sufficient proof of service in lieu of an actual signature, also saving postage costs;
- (4) Clarifying that the child support enforcement agencies in other states acting under Title IV-D of the Social Security Act may directly enforce a child support lien, acknowledging the federal law's provision of full faith and credit to child support liens arising in other states;
- (5) Clarifying that payments from a financial institution may be made directly to the entity seeking to enforce the lien without the involvement of the Child Support Enforcement Agency, provided that the financial institution complies with the State's procedural rules; and
- (6) Requiring that only the last four digits of the obligor's social security number be indicated on the notice of child support lien.

Your Committee has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 851, 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. 851, S.D. 1, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Mizuno, Ito, Brower, Shimabukuro, Ward.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Ito, Ward).

**Conf. Com. Rep. 98 on S.B. No. 464**

The purpose of this measure is to promote the use of, and investment in, renewable energy resources by amending the renewable energy technologies income tax credit to encourage the use of solar and wind energy systems, and permitting a portion of the excess of the credit over payments due to be refunded to the taxpayer under certain circumstances.

Your Committee on Conference finds that making this tax credit refundable at a reduced level will enable the solar industry in Hawaii to expand its role as an engine of economic stimulus and job creation in the current recessionary environment. Last year, the solar industry grew five hundred per cent and further room for growth remains. At present, the solar industry is responsible for approximately two thousand jobs in Hawaii, but the market is artificially capped by inconsistencies in the tax code that make it virtually impossible for most would-be investors to use the credit. Without access to this tax credit, solar projects in Hawaii are not financially viable.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date from "July 1, 2020" to "July 1, 2009";
- (2) Making it applicable to taxable years beginning after December 31, 2008; and

- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 464, 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. 464, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, M. Oshiro, Coffman, Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 99 on S.B. No. 695**

The purpose of this measure is to require an employer to continue paying for medical services for an injured employee despite disputes over whether treatment should be continued, until the Director of Labor and Industrial Relations determines whether medical services should be continued.

Your Committee finds that continuing medical treatments for an injured employee, until a decision is rendered by the Director of Labor and Industrial Relations on the appropriateness of the treatment, provides appropriate protections for injured employees while also allowing employers and insurers to recover benefits paid past the deadline for allowed treatment.

Your Committee, upon further consideration, has amended this measure by changing the effective date from July 1, 2020, to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 695, 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. 695, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Hee, Taniguchi.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Rhoads, M. Oshiro, Souki, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Souki).

**Conf. Com. Rep. 100 on S.B. No. 1664**

The purpose of this measure is to clarify and temporarily codify the implementation of the Department of Labor and Industrial Relations' partial unemployment system.

Your Committee finds that clarification and codification of the partial unemployment system would help employers retain employees' loyalty and productivity during the current recession and help smooth transitions in hiring and training as businesses recover from the recession.

Your Committee upon further consideration has made the following amendments to S.B. No. 1664, S.D. 2, H.D. 2:

- (1) Amending the restrictions under which the Department of Labor and Industrial Relations may extend partial unemployment beyond eight consecutive weeks of total unemployment to include but not be limited to certain conditions;
- (2) Changing the effective date from July 1, 2020, to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1664, 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. 1664, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Tsutsui, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Rhoads, Yamashita, Aquino, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 101 on S.B. No. 1250**

The purpose of this measure is to amend and make permanent those provisions related to emergency hires by clarifying that:

- (1) No individual may be employed on an emergency basis for more than three years in the aggregate; and

- (2) Unlicensed teachers employed on an emergency basis after June 30, 1997, but prior to July 1, 2008, may be employed on an emergency basis for no more than four years in the aggregate.

Your Committee on Conference finds that aligning Hawaii's teacher licensure requirements with the criteria for highly qualified teachers as prescribed by the No Child Left Behind Act is a critical component of meeting the federal requirements. Your Committee on Conference supports this intent, but believes some flexibility is necessary to address the State's continuing teacher shortage.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that no individual may be employed by the Department of Education on an emergency basis for more than four years in the aggregate, beginning July 1, 2009;
- (2) Deleting provisions related to unlicensed individuals employed on an emergency basis after June 30, 1997, but prior to July 1, 2008;
- (3) Deleting the amendment to Act 125, Session Laws of Hawaii 2008, which would have made permanent the amendments to section 302A-804, Hawaii Revised Statutes, by Act 125;
- (4) Making the Act effective July 1, 2009;
- (5) Amending the findings and purpose section to reflect the above changes; and
- (6) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1250, 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. 1250, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Takamine, Bunda, Kidani, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Takumi, Rhoads, C. Lee, Nakashima, Ching.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

#### **Conf. Com. Rep. 102 on S.B. No. 1218**

The purpose of this measure is to bring Hawaii into compliance with federal law by implementing the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (S.A.F.E. Mortgage Licensing Act of 2008).

Your Committee finds that this measure complies with the requirements of the federal S.A.F.E. Mortgage Licensing Act of 2008. Your Committee further finds that the purpose of the S.A.F.E. Mortgage Licensing Act of 2008 is to "to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud" by encouraging the states to regulate the mortgage industry. Your Committee notes that this measure is based on a model act prepared by the Conference of State Bank Supervisors and American Association of Residential Mortgage Regulators that the United States Department of Housing and Urban Development has approved as compliant with the federal law.

Your Committee notes that, under the S.A.F.E. Mortgage Licensing Act of 2008, failure of the State to implement conforming legislation would result in abdication of the State's right to regulate the mortgage industry and assignment of that right to the federal Department of Housing and Urban Development. Your Committee finds that this result would be unacceptable as it is critical that the State retain its right to respond to unique local circumstances in regulating the mortgage industry.

Your Committee notes that this measure establishes the regulatory framework mandated by federal law, but recognizes that this new framework will remain subject to additional improvements as the Division of Financial Institutions (Division) implements the provisions of this measure. Your Committee notes that this measure calls on the Commissioner of Financial Institutions (Commissioner) to report to the Legislature on the Division's process of implementing this measure, including guidance from the Department of Housing and Urban Development, and to make recommendations for further legislation. It is the intent of your Committee that the Commissioner's report serve as the basis for cooperation between the Division and the Legislature to effectively implement this measure. Finally, your Committee finds that the fee structure contained in this measure will allow the mortgage originator regulatory system to be financially self-sufficient.

Your Committee has amended this measure by:

- (1) Adding a findings and purpose section;
- (2) Deleting the definitions of "agent", "borrower", and "mortgage loan origination agreement";
- (3) Specifying that "individual" means a natural person;
- (4) Clarifying that an individual required to be licensed as a mortgage loan originator shall obtain licensure by August 1, 2010, or such later date approved by the United States Department of Housing and Urban Development pursuant to authority granted under Public Law 110-289, section 1508(e);
- (5) Specifying that the requirements of federal or state law regarding privacy and confidentiality of information shall apply to information or material that has been disclosed to the Nationwide Mortgage Licensing System;

- (6) Specifying that the person who holds a privilege relating to information provided to the Nationwide Mortgage Licensing System has discretion to waive that privilege in whole or in part;
- (7) Adding a provision to grant the Commissioner the authority to control access to or take possession of the documents or records of a person under examination or investigation;
- (8) Adding provisions to grant the Commissioner the authority to retain personnel, cooperate with other government officials or regulatory agencies, procure analytical systems or software, rely on investigation reports by other government officials, and accept audit reports from independent certified public accountants in the conduct of investigations or examinations;
- (9) Adding a provision to specify that the Commissioner's authority to conduct examinations or investigations is effective regardless of whether the licensed mortgage loan originator, individual, or person subject to regulation under this measure purports to act pursuant to any licensing or registration law of this State;
- (10) Adding a provision to prohibit any licensed mortgage loan originator, individual, or person subject to investigation or examination from knowingly withholding, abstracting, removing, mutilating, destroying, or secreting any books, records, computer records, or other information;
- (11) Amending the definition of "creditor" to include mortgage solicitors;
- (12) Excluding the officers, directors, partners, members, managers, employees, and agents of an applicant for licensure as a mortgage loan originator from the Department of Commerce and Consumer Affairs' authority to conduct criminal background checks;
- (13) Adding a new provision to specify that as of August 1, 2010, no new license or renewal of a license shall be issued under chapter 454, Hawaii Revised Statutes;
- (14) Adding a new provision to specify that as of the date that an individual is required to be licensed under this measure, the remaining pro rata balance of the fees paid by that individual pursuant to chapter 454, Hawaii Revised Statutes, shall be applied to the individual's fees due under this measure;
- (15) Adding a new provision to specify that an individual shall not be subject to chapter 454, Hawaii Revised Statutes, as of the effective date of that individual's license under this measure;
- (16) Requiring the Commissioner to report to the Legislature regarding the implementation of this measure including budget recommendations, developments in federal law, guidance from the United States Department of Housing and Urban Development, and recommendations for further legislative action;
- (17) Specifying that the sum of \$159,400 is appropriated out of the Compliance Resolution Fund to carry out the purposes of this measure;
- (18) Changing the effective date of this measure to July 1, 2009; provided that sections 2, 3, 4, 6, and 7 shall take effect in July 1, 2010; and
- (19) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1218, 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. 1218, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kim, Ige, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Ige).

Representatives Herkes, B. Oshiro, Keith-Agaran, Marumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Marumoto).

**Conf. Com. Rep. 103 on S.B. No. 1164**

The purpose of this measure is to remove barriers to educational attainment faced by children of military families due to frequent moves and the deployment of their parents by enacting the Interstate Compact on Educational Opportunity for Military Children.

Your Committee on Conference finds that the Interstate Compact on Educational Opportunity for Military Children provides standards addressing issues such as enrollment, placement, and graduation of children whose parents are active duty service members or recent veterans of the military. Rather than suffering frustrations and delays, this Compact would allow military children to integrate quickly into and transition out of Hawaii's classrooms, and greatly improve their quality of life and access to education.

Your Committee on Conference and the Legislature appreciate the support of the Joint Venture Education Forum, which will be funding the membership dues and travel costs for at least the first year.

Your Committee on Conference has amended this measure to correct a citation of the United States Code with regard to active duty members of the uniformed services, to read: "...pursuant to 10 United States Code Section 101(d)(1) and Section 101(d)(6)(A)."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1164, 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. 1164, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Espero, Tsutsui, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Tsutsui).

Representatives Takumi, McKelvey, C. Lee, Evans, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 104 on S.B. No. 266**

The purpose of this measure is to establish a climate change task force within the Office of Planning to begin an investigation of the current and potential impacts of global warming and climate change on the people, natural resources, and economy of the State.

Your Committee on Conference finds that, although the Legislature has taken actions to address the reduction of greenhouse gas emissions through the passage of Act 234, Session Laws of Hawaii 2007, strategies to focus on adaptation still need to be investigated and implemented. This measure is intended to provide a method of developing such strategies.

Your Committee on Conference finds, however, that the task force could benefit from the input of members appointed by the Department of Transportation, the Board of Land and Natural Resources, the Office of Civil Defense, the counties, the Center for Island Climate Adaptation and Policy, and the Joint Institute for Marine and Atmospheric Research. Additionally, your Committee on Conference finds that the Department of Business, Economic Development, and Tourism is adequately represented by the participation of the Office of Planning on the task force and that the inclusion of a representative from the Department of Business, Economic Development, and Tourism is redundant.

Your Committee on Conference urges the task force to also solicit input from the military and the Building Industry Association.

Your Committee on Conference also finds that the requirement that the task force conduct an assessment of the conditions and impacts from global warming and climate change on various segments of the State may be too broad an undertaking for the task force. Your Committee on Conference understands that “scoping” is the first step in initiating a climate change study. This constitutes a broad investigation of the social, economic, cultural and environmental sectors that will be impacted by climate change, in a manner that will be location-specific. By contrast, in the realm of hazard mitigation, of which the effects of climate change lie, risk and vulnerability assessments use information gathered during the scoping to determine the risk to exposed populations and property and the extent of injury and damage that may result from a hazard event. An assessment, then, is much more time- and cost-intensive than the scoping step.

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

- (1) Adding to the task force, members representing the Department of Transportation, the Board of Land and Natural Resources, the Office of Civil Defense, the counties, the Center for Island Climate Adaptation and Policy, and the Joint Institute for Marine and Atmospheric Research;
- (2) To avoid redundancy, deleting from the task force a representative from the Department of Business, Economic Development, and Tourism, due to the inclusion of a representative of the Office of Planning on the task force;
- (3) Narrowing the breadth of the investigation to be conducted by the task force to “scoping”, rather than “assessing” the conditions and impacts described in the measure;
- (4) Changing the extent of support to be provided by the Office of Planning;
- (5) Revising the duties of the task force relating to recommendations to be made to the Legislature by including greater detail for items such as public utilities and infrastructure, and deleting the emphasis on maintaining native species, while increasing the emphasis on preserving different types of ecosystems;
- (6) Changing the appropriation amount from an unspecified amount to \$50,000 for each of the fiscal years 2009-2010 and 2010-2011;
- (7) Changing the effective date of the measure from “July 1, 2020” to “July 1, 2009”; and
- (8) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 266, 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. 266, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Nishihara, Tsutsui, Kokubun.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Nishihara).

Representatives Morita, Coffman, Wooley, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Wooley).

**Conf. Com. Rep. 105 on S.B. No. 1224**

The purpose of this measure is to provide economic relief to airport concessionaires by giving the Governor, or Director of the Department of Transportation (DOT) if so directed by the Governor, the discretion and authority to:

- (1) Provide relief to airport concessionaires:
  - (A) Whose leases or contracts were entered into on or after November 1, 2006, and who spent capital improving their concession premises; or
  - (B) Who spent capital improving their concession premises as a result of any agreement entered into with DOT under Act 128, Session Laws of Hawaii 2006;
- (2) Reach a relief agreement with the concessionaire to extend the term of the lease or contract, grant or modify existing relief provisions, reduce or waive rent, and otherwise modify and amend any terms of the concession lease or contract;
- (3) Grant fair and reasonable relief to a concessionaire whose concession has suffered operating losses for any period starting on or after November 1, 2006;
- (4) Grant lease or contract provisions that:
  - (A) Provide for annual adjustments in the guaranteed rents of all airport concessionaires that are to be paid to the State; and
  - (B) For each airport concession lease or contract not having economic emergency relief provisions, modify and adjust these contracts to contain emergency relief provisions similar to those in other concession leases or contracts issued after September 11, 2001, and for any lease or contract, provide for optional additional relief during dire economic times; and
- (5) Take into account the concession's economic circumstances and whether the concession received relief by way of annual adjustment in guaranteed rents or other governmental relief to avoid duplicate economic relief benefits to a concessionaire.

Your Committee on Conference finds that airport concessions need continuing relief to that previously provided by Act 201, Session Laws of Hawaii 2004, and Act 128, Session Laws of Hawaii 2006, similar temporary enactments that have since sunset. However a few concessions are left that could not obtain rent relief in time of the sunset of those prior Acts. These Acts are necessary because the concession contracts are awarded pursuant to competitive sealed bids which cannot be amended without enabling legislation, in the interests of fairness to all bidders.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to more accurately reflect the amended measure;
- (2) Removing the provisions that:
  - (A) Require a concession to be withdrawn by the Department of Transportation and rebid or negotiated within six months, if requested by the concessionaire, if negotiations granting relief to certain concessionaires fail within one hundred twenty days following the effective date of the measure or an agreed extension between the parties; and
  - (B) Prohibit a concessionaire from requesting a withdrawal and rebid or withdrawal and renegotiation if the concessionaire has refused to accept relief from the Department of Transportation under certain circumstances;
- (3) Requiring negotiations for relief for a concession to commence within ninety days or within any extension agreed to between the Governor or the Governor's designee and a concessionaire from the date of mailing of a written request for relief to the Governor;
- (4) Clarifying that the rent may be adjusted, rather than reduced or waived, and terms may be added to the concession lease or contract;
- (5) Granting the Governor or the Director of Transportation, if so directed by the Governor, similar and fair relief ("fair and reasonable relief" in H.D. 2) to concessionaires whose concessions have suffered operating losses, including concessionaires who have suffered reduced business or other losses;
- (6) Deleting the provision that considered granting certain lease or contract provisions to be within the Governor or Director of Transportation's discretion;
- (7) Including under the Governor or the Director of Transportation's discretion and authority to provide relief, a concession lease or contract that remains in effect on or after November 1, 2006;
- (8) Adding statutory cross-references for clarity; and
- (9) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1224, 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. 1224, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.



Representatives Souki, M. Oshiro, Awana, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 106 on S.B. No. 1352**

The purpose of this measure is to reduce the backlog in land court recording and registration by:

- (1) Transferring fee simple time share interest registration from the Land Court System to the Regular System, and authorizing the Registrar of the Bureau of Conveyances to accept, in the Regular System, electronic instruments in lieu of original instruments with original signatures;
- (2) Authorizing the Department of Land and Natural Resources to establish a \$5 transaction fee for services rendered relating to automation; and
- (3) Requiring the Bureau of Conveyances to implement a pilot program for an integrated electronic filing system for electronic recordation of fee time share interests.

Your Committee finds that, due to the nature of time share ownership, it is appropriate to exclude time shares from the Land Court system. The Land Court system was designed to process single, consecutive ownership interests and not multiple, simultaneous interests in a single parcel of land. Inclusion of time shares in the Land Court burdens the system and is one cause of the current backlog. Your Committee is sympathetic to concerns that removal of time share transaction will lead to a loss of revenue for the Land Court; however, it is not in the best interest of the Land Court or the State to preserve an inefficient process merely for the sake of a minor revenue stream that can be recovered in the form of transaction fees or otherwise. It is the intent of your Committee that the Department of Land and Natural Resources (DLNR) collect a transaction fee for each recording in the Bureau of Conveyances and in the Office of the Assistant Registrar of the Land Court as a short term solution and review its fee structure as a long term solution to ensure that there is no loss of revenue to the DLNR.

Your Committee is also sympathetic to the concerns raised by employees of the Bureau of Conveyances over the change to registration procedures. Your Committee is persuaded that modernization of the registration and recording process is essential to solve the problem of the current backlog and to prevent a similar recurrence in the future. Your Committee is confident that the employer-employee working group established by this measure to find solutions to implementation and revenue issues will address the concerns raised by employees of the Bureau of Conveyances.

Your Committee has amended this measure by:

- (1) Adding a provision to specify that deregistration of time share interests shall not be construed to relieve deregistered land or the owners of deregistered land from any rights or liabilities applicable to deregistered land that are not expressly provided;
- (2) Deleting the proposal that would increase the ceiling on the Bureau of Conveyances Special Fund to \$1,150,000, thereby leaving the special fund ceiling at \$500,000; provided that funds collected for transaction fees as authorized in this measure shall not lapse to the credit of the state general fund;
- (3) Directing rather than authorizing, the Department of Land and Natural Resources to assess the \$5 transaction fee to be charged for each recording in the Bureau of Conveyances and in the Office of the Assistant Registrar of the Land Court for services rendered by the Bureau of Conveyances pursuant to part II of chapter 501 and chapter 502, Hawaii Revised Statutes as of July 1, 2009;
- (4) Adding the Land Court Registrar or the Registrar's designee to the membership of the working group created by this measure;
- (5) Changing the effective date of this measure to July 1, 2009; provided that section 2 of shall take effect on July 1, 2011, and shall be repealed on December 31, 2014; provided further that section 16 shall take effect on July 1, 2009, and shall be repealed on the effective date of administrative rules adopted by the department of land and natural resources that address the establishment of transaction fees for each recording in the bureau of conveyances and in the office of the assistant registrar of the land court; provided further that section 17 shall take effect on January 1, 2012; and provided further that section 18 shall take effect upon its approval and shall be repealed on January 31, 2010; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1352, 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. 1352, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Fukunaga, Taniguchi, Ige, Tokuda, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Slom).

Representatives Ito, Karamatsu, Har, Chong, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Chong, Karamatsu).

**Conf. Com. Rep. 107 on S.B. No. 1345**

The purpose of this measure is to provide fair compensation, including an automatic lease extension, for lessees when the Department of Land and Natural Resources withdraws, takes, or condemns any portion of the leased land that prevents a lessee from using the land for the purposes for which it was originally leased.

Specifically, this measure provides that in addition to any rent reduction or compensation for improvements on withdrawn, taken, or condemned land, the lessee shall be entitled to:

- (1) Compensation for costs attributable to the diminished use of the leased land, including reimbursement for insurance costs and loss of reasonably anticipated income minus operating expenses; and
- (2) An extension on the lease for not more than the number of years remaining in the original lease.

Your Committee finds that the Saddle Road widening project in the County of Hawaii is a good example of a taking of leased land with inadequate compensation for the lessee. In that project, the Department of Land and Natural Resources established conservation easements on leased land used for pasture or special livestock. As a result of the taking, the lessee ranchers suffered serious financial losses over an extended period of time. The intent of this measure is to prevent present and future lessees from experiencing similar situations in the future.

Your Committee has amended this measure by:

- (1) Removing the phrase "minus operating expenses," because your Committee expects the Department of Land and Natural Resources to define in rulemaking the parameters of "reasonably anticipated income";
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1345, 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. 1345, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Kokubun, Takamine, Hemmings.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Ito, Tsuji, Har, Ching.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. 108 on S.B. No. 1160**

The purpose of this measure is to:

- (1) Authorize the Hawaii Public Housing Authority to assess all the units in a state public housing project a fee for the common area expenses of the housing project;
- (2) Eliminate most procedural requirements preliminary to hearings for evictions of tenants of public housing projects;
- (3) Require written notice to delinquent tenants in accordance with federal law;
- (4) Provide that hearings officers appointed by the public housing authority will conduct eviction hearings, rather than eviction boards; and
- (5) Require legislative approval prior to the sale or lease of any project by the Hawaii Public Housing Authority.

Your Committee on Conference finds that the purpose of this measure is to assist the Hawaii Public Housing Authority in administering public housing projects with greater efficiency, for the benefit of both the Authority and public housing tenants.

Your Committee on Conference has amended this measure by:

- (1) Retaining the eviction boards to conduct hearings for evictions from federal low-income housing;
- (2) Requiring hearings officers to conduct hearings for evictions from state low-income housing;
- (3) Requiring the eviction board or hearings officer, in hearings for a tenant who has custody of a school age child or children residing with the tenant, to consider information regarding the tenant's regular participation in school activities or meetings during the current and previous school year from the children's school or schools in making a determination;
- (4) Prohibiting the Hawaii Public Housing Authority from selling any land developed for public housing projects;
- (5) Amending the findings and purpose section to reflect the above changes;
- (6) Making the effective date of the Act July 1, 2009; and
- (7) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1160, 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. 1160, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Galuteria, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Cabanilla, Sagum, Chong, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 109 on S.B. No. 109**

The purpose of this measure is to adopt the new Interstate Compact for Juveniles.

The compacting states to the Interstate Compact for Juveniles recognize that each state is responsible for the proper supervision or return of juveniles, delinquents, and status offenders who are on probation or parole and who have absconded, escaped, or run away from supervision and control. Setting forth, among other things, the duties, responsibilities, and procedures applicable to the compacting states, the Interstate Commission, and the Hawaii State Council for Interstate Juvenile Supervision, the Interstate Compact ensures joint and cooperative action to promote public safety and the appropriate care and treatment of these juveniles.

With passage of this measure, Hawaii will join the thirty-five other states who have already adopted the new Interstate Compact for Juveniles.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation from general funds of an amount of \$12,000 for fiscal year 2009-2010 and an amount of \$12,480 for fiscal year 2010-2011; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 109, 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. 109, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Mizuno, Karamatsu, Brower, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Brower).

**Conf. Com. Rep. 110 on S.B. No. 1461**

The purpose of this measure is to advance the filing and payment of monthly general excise taxes that are due to an earlier date in the month following accrual to generate a one-time windfall revenue for the State.

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

- (1) Extending the requirement for accelerated monthly filing and payment to quarterly and semi-annual filing and payment of general excise taxes;
- (2) Requiring any person who is required to electronically file a federal return or electronically remit any federal taxes to the federal government, to also electronically file a state return and electronically remit any state taxes under Title 14, Hawaii Revised Statutes, to the Department of Taxation; provided that the Director of Taxation may grant an exemption for good cause;
- (3) With regard to state income tax, requiring any employer who is required to remit any withheld taxes to the federal government on a semi-weekly schedule, to also remit the complete amount of tax withheld to the state Department of Taxation on a semi-weekly schedule; provided the Director of Taxation may grant an exemption for good cause;
- (4) Changing the effective date to upon approval and applying the measure to returns and payments due after May 31, 2009; and
- (5) Making technical conforming amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1461, 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. 1461, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Galuteria, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 111 on H.B. No. 381**

The purpose of this bill is to replace the June 30, 2009, lapse date for a \$4,000,000 appropriation to the State of Hawaii Endowment Fund, originally appropriated in Act 97, Session Laws of Hawaii 2006, with provisions stipulating that all pledges or portions of pledges not collected by February 28, 2013, will cause any unexpended balance from the appropriation to revert to the general fund.

Your Committee on Conference has amended this bill by changing the effective date to June 29, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 381, 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. 381, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Tsutsui, Hemmings.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hemmings).

Representatives Manahan, M. Oshiro, Tokioka, Marumoto.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 112 on H.B. No. 1536**

The purpose of this bill is to alleviate some of the effects of the current fiscal crisis the State is facing by:

- (1) Implementing a salary reduction of five per cent of what public executives and legislators were being paid on June 30, 2009, for a two-year period beginning July 1, 2009; and
- (2) Tying vacation and sick leave to that of collective bargaining unit (13) for a two-year period beginning July 1, 2009.

Along with the rest of the nation, Hawaii, is facing difficult economic times that, according to some, have not been seen since the 1980s or even the Great Depression. Hawaii is grappling with an enormous budget deficit that may increase in the near future. Although salary increases were approved by the Commission on Salaries for members of the executive, legislative, and judicial branches, these increases were approved at a time when Hawaii's economic future looked bright. Your Committee on Conference finds that the current economic downturn and the resulting decline in general fund revenues necessitate that the heads of all branches of state government share in the sacrifice of salary adjustments. While the reduction of these salaries only amounts to a small savings in relation to the entire deficit, your Committee on Conference finds that in recognition of Hawaii's current fiscal situation, this is a prudent step.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1536, 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. 1536, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kim, Kokubun, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives Rhoads, M. Oshiro, Aquino, Belatti, Pine.

Managers on the part of the House.

Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 113 on H.B. No. 1016**

The purpose of this bill is to appropriate funds to satisfy claims against the State, its officers, or its employees.

Your Committee on Conference has amended this bill by:

- (1) Adding claims for judgments and settlements, as recommended by the Department of the Attorney General; and
- (2) Amending the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1016, 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. 1016, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Kim, Slom.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Karamatsu, M. Oshiro, Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 114 on H.B. No. 1550**

The purpose of this bill is to begin to address general fund revenue shortfalls by amending Hawaii's tax law to impose the state income tax on rollovers made by state and county employees from qualifying deferred-compensation plans and qualifying annuity plans to eligible retirement plans or individual retirement accounts.

Employees who roll over or transfer contributions from their deferred-compensation plans to purchase Employees' Retirement System membership service credits or to upgrade their noncontributory plan service to hybrid plan service in the future are not assessed an income tax on these funds. Since, under current law, pension distributions from the hybrid plan are not subject to income tax, these rollover or transferred funds completely escape Hawaii income tax.

Inasmuch as funds from deferred compensation plans would normally be taxed when an employee withdraws these funds, since these funds were withheld from an employee's pre-tax wages, taxing the rolled over or transferred funds at the time they are rolled over or transferred would appear to be equitable and fair.

Your Committee on Conference has amended this bill by:

- (1) Further clarifying language to ensure that the state income tax is imposed on distributions from qualified annuity plans and qualified deferred compensation plans by employees who effectively make the distributions to obtain retirement credits under the state employee retirement system;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1550, 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. 1550, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Hooser, Kidani, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Hemmings).

Representatives Rhoads, M. Oshiro, Chong, Choy, Pine.  
Managers on the part of the House.  
Ayes, 5. Ayes with Reservations, 1 (Pine). Noes, none. Excused, none.

**Conf. Com. Rep. 115 on H.B. No. 952**

The purpose of this bill is to protect an employee's right to organize and allow employees easier access to union representation by:

- (1) Streamlining the process to certify union representation by requiring the Hawaii Labor Relations Board (HLRB) to certify an exclusive representative if a majority of the employees in a unit not currently represented have signed valid authorizations designating a bargaining representative, rather than holding an election to determine such representation;
- (2) Establishing a process that facilitates the initial collective bargaining agreements between an employer and a newly certified employee representative; and
- (3) Making it a violation for an employer to wilfully or repeatedly commit unfair or prohibited practices that interfere with an employee's statutory rights or that discriminate against an employee for exercising protected conduct, subject to a civil penalty of \$20,000 or less per violation.

Historically, the unionization of workers has resulted in increased wages, the lessening of racial and gender disparities in pay, decreased workplace discrimination, and increases in job safety standards. These changes benefit not only unionized workers but all employees.

Although many employees have been allowed to legally exercise their right to organize, some employers still attempt to deny workers the freedom to form a union. This measure attempts to provide workers seeking to organize a more level playing field by streamlining the union certification process and enabling workers to form unions when a majority of the workers sign union authorization cards. Furthermore, this bill provides protections for workers against actions that would hinder them from exercising this right.

After further consideration, your Committee on Conference finds that the fairness contained in this measure can be improved and made more equitable. Accordingly, your Committee on Conference has amended this bill by:

- (1) Requiring HLRB to adopt rules governing the certification of exclusive union representation;
- (2) Making the streamlined union certification process applicable to employers with an annual gross revenue of \$5 million or more;
- (3) Making the wilful or repeated commission of unfair or prohibited practices applicable to both employers and employees, and changing the civil penalty for such a violation to \$10,000 or less per violation;
- (4) Changing its effective date to July 1, 2009; and

- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 952, 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. 952, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Taniguchi, Hee.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Hee).

Representatives Rhoads, McKelvey, M. Oshiro, Nakashima, Yamashita.

Managers on the part of the House.

Ayes, 5. Ayes with Reservations, 1 (McKelvey). Noes, none. Excused, none.

**Conf. Com. Rep. 116 on H.B. No. 981**

The purpose of this bill is to continue to promote highway safety by statutorily establishing several recommendations of the Ignition Interlock Implementation Task Force (Task Force) established by Act 171, Session Laws of Hawaii 2008 (Act 171). Among other things, this bill:

- (1) Provides that indigent persons qualifying for state-funded ignition interlock devices must have incomes not greater than an unspecified percent of the official poverty line established by the Secretary of Health and Human Services under the Community Services Block Grant Act;
- (2) Requires the Director to select a single vendor to install and maintain ignition interlock devices under the statewide program relating to the certification and monitoring of ignition interlock devices;
- (3) Allows for the emergency override of the ignition interlock system when such override is necessary to promote highway safety;
- (4) Amends various periods of administrative revocation of license and privilege to operate a vehicle, based on the number of prior alcohol or drug enforcement contacts;
- (5) Provides penalties for failing to install an ignition interlock device during the revocation period;
- (6) Changes the “look back period” for determining whether a driver has had a prior law enforcement contact for an alcohol-related incident, from five years to ten years;
- (7) Specifies that persons committing the offense of operating a vehicle under the influence of an intoxicant (OVUII) shall be guilty of a petty misdemeanor and sentenced without the possibility of the suspension of sentence;
- (8) Amends various other sentencing provisions for persons committing the offense of OVUII;
- (9) Eliminates administrative revocation and criminal sentencing provisions for highly intoxicated drivers;
- (10) Establishes an absolute prohibition from driving during a period of probation if the person on probation does not own or have use of a vehicle in which an ignition interlock device can be installed or the person is otherwise unable to drive during the probation period;
- (11) Eliminates the provision limiting the admissibility of the refusal to submit to a test of a person’s breath or blood for legally arrested individuals under the age of 21;
- (12) Establishes mandatory terms of probation for repeat OVUII offenders;
- (13) Eliminates provisions requiring the installation of an ignition interlock device and issuance of an ignition interlock permit for defendants released on bail, recognizance, or supervised release;
- (14) Repeals statutory language regarding the issuance of conditional license permits; and
- (15) Extending the existence of the Task Force for an additional year.

Hawaii has experienced an alarmingly high number of alcohol-related traffic fatalities over the past several years. While enforcement of existing laws governing OVUII has had an impact on alcohol-related traffic fatalities, it appeared that more needed to be done to bring about substantial improvement.

In response to these alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 legislative session, calling for a working group to be formed to study the issue of ignition interlocks and make recommendations leading to legislation. In 2008, legislation was recommended that established an ignition interlock device program in Hawaii and was enacted as Act 171. The program established under Act 171 would require the installation of ignition interlock devices, which prohibit a vehicle from being started until the driver of the vehicle passes a breathalyzer test that is connected to the ignition of the vehicle, on vehicles of those convicted of OVUII under certain conditions.

While Act 171 served as a framework from which to build the ignition interlock program, the complex nature of establishing the ignition interlock program in Hawaii necessitated the establishment of the Task Force to address numerous issues before the actual implementation of the program. Several of the initial recommendations of the Task Force are contained in this measure.

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

- (1) Reinstating the below 125 percent of the official poverty line income criteria for indigent persons qualifying for state-funded ignition interlock devices;
- (2) Authorizing the Director to adopt rules pursuant to Chapter 91 to effectuate the provisions dealing with payment for the installation and maintenance of ignition interlock devices for indigent persons;
- (3) Eliminating the provision allowing for emergency override of the ignition interlock system;
- (4) Reestablishing the "look back period" at five, rather than ten, years;
- (5) Removing language specifying that OVUII offenders are guilty of a petty misdemeanor and shall be sentenced without the possibility of the suspension of sentence;
- (6) Reestablishing the maximum prison time for a first offense at five days rather than 30 days;
- (7) Establishing a period of imprisonment of not more than five days for a second offense committed within five years of a prior conviction;
- (8) Establishing a period of imprisonment of up to five days for an offense committed within five years of two prior convictions;
- (9) Changing its effective date to ensure that the intent and purpose of Act 171, Session Laws of Hawaii 2008, and this Act will be enacted and take effect at the appropriate times; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 981, 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. 981, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Karamatsu, Awana, Har, M. Lee, Pine.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 117 on H.B. No. 1166**

The purpose of this bill is to assist the Airports Division of the Department of Transportation (DOT) to construct capital improvement projects (CIPs) through the establishment of additional financing options for these projects by:

- (1) Clarifying that the passenger facility charge (PFC) is a charge for the use and services of an undertaking for the purposes and within the meaning of the law relating to the financing of revenue bonds;
- (2) Requiring moneys paid into the Passenger Facility Charge Special Fund (Special Fund) to be appropriated, applied, or expended by DOT for airport capital improvement program projects approved by the Legislature and as permitted by federal law;
- (3) Allowing for the establishment of separate accounts within the Special Fund; and
- (4) Allowing the transfer of PFC moneys into these accounts to pay debt service on bonds issued for the CIPs.

PFCs were authorized by federal law in the 1990s and provide DOT with an additional capital funding source to expand the airport system. PFCs are assessed on departing passengers on all international and domestic overseas flights, excluding interisland flights, and are overseen by the Federal Aviation Administration. Under Hawaii law, PFCs may only be used to directly pay costs related to airport projects approved by the Legislature. However, current law is unclear regarding the use of the PFC for the indirect financing of structures through the issuance of bonds. This measure will enable DOT to finance the cost of airport projects with the proceeds of bonds completely or partially backed by the PFC and supplies DOT with the appropriate flexibility needed to fund the expansion of the airport system.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2009, and deleting its repeal date; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1166, 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. 1166, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Kim, Gabbard.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Souki, Awana, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 118 on H.B. No. 1552**

The purpose of this bill is to promote and protect living parks as unique cultural and historical assets of this State by:

- (1) Authorizing the Department of Land and Natural Resources to issue long-term residential leases to qualified persons; and
- (2) Establishing a Living Park Planning Council to develop a master plan for each state living park.

Your Committee on Conference has amended this bill by:

- (1) Including a two-year moratorium on evictions of long-term tenants residing in Kahana Valley State Park who meet certain conditions;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1552, 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. 1552, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Fukunaga.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Ito, Har, Wooley, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. 119 on H.B. No. 610**

The purpose of this bill is to focus State economic planning on the growth of science and technology industries by:

- (1) Requiring the Department of Business, Economic Development, and Tourism (DBEDT) to annually update and report to the Legislature on the criteria used to measure the growth of Hawaii's emerging growth industries, instead of reporting on the impact of DBEDT's efforts on those industries; and
- (2) Focusing the Hawaii State Planning Act's economic objectives and policies on the development and expansion of businesses and activities in science, technology, and related emerging growth industries.

Your Committee on Conference has amended this bill by removing its substance, which is contained in the Conference Draft of another bill, and inserting the House Draft 2 of this bill, in an amended form.

As amended, this bill requires Hawaii EPSCoR, the federally-funded Experimental Program to Stimulate Competitive Research, within the University of Hawaii, to develop the Hawaii State Science and Technology Plan (Plan) with the assistance of the High Technology Development Corporation.

A subcommittee of Hawaii EPSCoR has already begun preparing a plan. This measure requires Hawaii EPSCoR to incorporate its past planning efforts into the Plan, conduct further Plan development in consultation with a broad range of stakeholders, and submit the completed Plan to the Legislature in 2011.

This bill, as amended, becomes effective on July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 610, 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. 610, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Tsutsui, Baker, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives McKelvey, Choy, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 120 on H.B. No. 586**

The purpose of this bill is to:

- (1) Sunset the Kaneohe Bay Regional Council (Council); and
- (2) Designate the Department of Land and Natural Resources (DLNR) as the agency responsible for exercising the duties and functions of the Council.



Your Committee on Conference has amended this bill by:

- (1) Deleting the section setting forth the duties and functions of the Council to be carried out by DLNR; and
- (2) Changing the effective date to July 1, 2010.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 586, 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. 586, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Fukunaga, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Fukunaga).

Representatives Ito, Har, Wooley, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ching).

**Conf. Com. Rep. 121 on H.B. No. 1525**

The purpose of this bill is to require the Department of Human Services (DHS) to award all future Medicaid health insurance procurement contracts solely to those nonprofit and for-profit entities that comply with specified annual reporting requirements.

Your Committee on Conference has amended this bill by:

- (1) Specifying that the annual reporting requirements apply only to contracts administered in the state;
- (2) Requiring DHS to include the annual reporting requirements in all Medicaid healthcare insurance plan contracts rather than requiring DHS to solicit proposals for the procurement of Medicaid healthcare insurance contracts from those entities that already comply with the specified reporting requirements;
- (3) Amending language to clarify the annual reporting requirements;
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1525, 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. 1525, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Taniguchi.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Mizuno, Yamane, Karamatsu, Brower, Shimabukuro, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Ayes with Reservations, 1 (Finnegan). Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. 122 on H.B. No. 111**

The purpose of this bill is to provide fairness in the process of collecting moneys owed to the State or county by a state officer, agent, or employee, by establishing a three-year statute of limitations for the recovery of overpayment of state salaries.

Collecting overpayments of a state employee's salary can be an arduous and often difficult task, especially when the overpayment is the result of miscalculations by the State. If this error goes undetected by either party for a number of years, it can make the process even more troublesome.

Under current law, the State is provided with an unlimited amount of time in which to collect overpayments it made to state employees. On the other hand, if an underpayment of a state employee's salary is made, the employee is allowed only a certain window of opportunity to file a claim. Limiting the time the State has to pursue reimbursement of a salary overpayment made to a state employee brings fairness to this process.

However, additional concerns were raised that in cases where an employee is compensated in an amount greater than or less than that to which the employee was entitled, the individual's average final compensation with regard to his or her retirement pension would be affected. Basing the average final compensation of an employee on what the employee should have been paid appears fair and reasonable.

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

- (1) Decreasing the time limit for recovery of indebtedness from three years from the date of indebtedness to two years;
- (2) Clarifying that the two-year statute of limitations applies only to indebtedness as a result of salary or wage overpayment;
- (3) Stipulating that in cases where an officer, agent, employee, or other person in the service of a jurisdiction is compensated in an amount greater than or less than that to which the person is entitled, the determination of that particular individual's average final compensation shall be based on the compensation the individual should have been paid during that period;

- (4) Changing its effective date to upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 111, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 111, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Takamine, Kim, Bunda, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Bunda).

Representatives Rhoads, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 123 on H.B. No. 343**

The purpose of this bill is to meet the needs of rural and medically underserved areas and populations in Hawaii in a culturally sensitive and medically appropriate manner by appropriating funds to:

- (1) Support and expand the Family Medicine Residency Program (Program) of the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services; and
- (2) Develop a permanent statewide rural primary health care training program in the county of Hawaii to expand the rural health care training available for individuals in the Program.

Your Committee on Conference has amended this bill by:

- (1) Inserting an appropriation of \$70,000 for fiscal year (FY) 2009-2010, to support and expand the Family Medicine Residency Program at the University of Hawaii John A. Burns School of Medicine's Department of Family Medicine and Community Health to provide rural primary health care services;
- (2) Inserting an appropriation of \$70,000 for FY 2010-2011, to develop a statewide rural primary health care training program in each county, beginning in the county of Hawaii to provide family physicians to rural areas and improve health care access for the people of Hawaii;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 343, 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. 343, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Tokuda, Tsutsui, Green, Kokubun, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Kokubun, Slom).

Representatives Yamane, Chang, Nishimoto, Nakashima, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Nakashima).

**Conf. Com. Rep. 124 on H.B. No. 1692**

The purpose of this bill is to:

- (1) Restrict to no more than five years, the length of tenancy for certain tenants in a percentage of units in state public housing projects; and
- (2) Require the Hawaii Public Housing Authority (HPHA) to review federal pilot programs intended to break the cycle of public housing and welfare.

Your Committee on Conference has amended this bill by:

- (1) Replacing the limitation on length of tenancies in all state public housing projects with a pilot project in a designated state low-income housing project in which tenancies:
  - (A) Are limited to five years for tenants in occupancy;
  - (B) Are limited to seven years for new tenants; and
  - (C) Are not limited for persons 55 years and older, persons with a mental or physical disability, persons retired for medical reasons, and family members and medically necessary attendants of exempt tenants;
- (2) Requiring HPHA to develop recommendations for a transition plan to assist tenants in meeting the occupancy time limits;

- (3) Requiring the Executive Director of HPHA to establish a working group to designate the site of the pilot project and assist HPHA in developing recommendations for a transition plan;
- (4) Requiring HPHA to report to the Legislature on the status of the pilot project prior to the regular sessions of 2010 and 2011;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive changes for style, clarity, and conformity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1692, 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. 1692, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Chun Oakland, Galuteria, Hemmings.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Cabanilla, Sagum, Chong, Ching.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 125 on H.B. No. 1809**

The purpose of this measure is to establish a television recycling program in the State.

Specifically, this measure:

- (1) Amends the title of chapter 339D, Hawaii Revised Statutes, from the "Electronic Waste Recycling Act" to the "Electronic Waste and Television Recycling and Recovery Act", establishes a new part entitled "Television Recovery System", and makes conforming amendments to existing provisions in chapter 339D;
- (2) Requires television manufacturers to submit a recycling plan to the Department of Health by June 1, 2010, and to begin recycling covered televisions sold in the State by January 1, 2011;
- (3) Requires television manufacturers to label covered televisions sold or offered for sale in the State with a brand, register with the Department of Health, pay registration fees, and file ongoing registration renewals;
- (4) Prohibits retailers from selling or offering for sale in the State covered televisions that are a brand of a manufacturer that is not registered with the Department of Health;
- (5) Provides a formula for the Department of Health to calculate each television manufacturer's recycling obligation;
- (6) Imposes penalties on manufacturers and retailers for noncompliance with recycling and reporting requirements of the chapter; and
- (7) Stipulates that implementation of this measure by January 1, 2011, shall satisfy the requirement for a separate plan for the collection, transportation, and recycling of televisions called for in Act 13, Special Session Laws of Hawaii 2008.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "electronic device manufacturer" to delete the annual sales provision for "specialized computers";
- (2) Prohibiting television manufacturers and electronic device manufacturers from charging owners a fee to recycle televisions and electronic devices under certain circumstances;
- (3) Requiring electronic device manufacturers and their agents to be responsible for following applicable regulations and for adopting environmentally sound recycling programs;
- (4) Clarifying requirements for television manufacturers submitting plans to the Department of Health;
- (5) Allowing electronic device manufacturers to develop their own recycling program, provided it is implemented and fully operational by January 1, 2010;
- (6) Deleting redundant provisions with respect to television manufacturers developing recycling programs and their recycling obligations;
- (7) Specifying penalty amounts for the sale of unlabeled electronic devices and covered televisions or violations of section 339D-4 or 339D-C;
- (8) Correcting references to sections with respect to fees assured by the Department of Health;
- (9) Changing the effective date of the measure to upon approval; and
- (10) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1809, 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. 1809, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Taniguchi, Fukunaga, Hooser, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Taniguchi, Hemmings).

Representatives Morita, McKelvey, Karamatsu, Coffman, Belatti, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 7. Noes, none. Excused, none.

**Conf. Com. Rep. 126 on H.B. No. 1807**

The purpose of this bill is to ensure Hawaii's water quality by:

- (1) Authorizing the Director of Health to use federal moneys from the American Recovery and Reinvestment Act of 2009 (ARRA) and other applicable federal acts to fund drinking water and wastewater infrastructure programs; and
- (2) Establishing up to two exempt positions entitled, "total maximum daily load coordinators," to assist the Department of Health to meet federal requirements for establishing total maximum daily loads in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Deleting the appropriation out of federal funds received by the State from ARRA and any other applicable federal acts to fund drinking water and wastewater infrastructure projects;
- (2) Changing its effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1807, 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. 1807, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, English, Tsutsui, Green, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Hemmings).

Representatives Morita, Ito, Coffman, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 127 on H.B. No. 371**

The purpose of this bill is to:

- (1) Increase the tax on naphtha sold for use in a power-generating facility from 1 cent per gallon to 2 cents per gallon; and
- (2) Repeal the sunset date of the tax.

Your Committee on Conference has amended this measure by:

- (1) In lieu of making the tax permanent, extending it for an additional three years to December 31, 2012;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 371, 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. 371, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Hooser.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Herkes, M. Oshiro, Coffman, Nakashima, Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 128 on H.B. No. 986**

The purpose of this bill is to require renovations of public school facilities to meet energy efficiency and environmental standards.

Specifically, this bill:

- (1) Adds energy efficiency and environmental standards to achieve high performance classrooms as a criterion that may be used to establish current repair and maintenance requirements for state school facilities;

- (2) Requires the Superintendent of Education to ensure that all repair and maintenance projects follow the required energy efficiency and environmental standards;
- (3) Requires the renovation of state buildings and facilities to meet the Leadership in Energy and Environmental Design silver or two green globes rating system or another nationally recognized and consensus-based guideline, standard, or system;
- (4) Adds energy efficiency and environmental standards as a basis of the Department of Education's six-year program and financial plan for school repair and maintenance; and
- (5) Requires that consideration be given to energy efficiency and environmental standards when prioritizing a school's repair and maintenance needs.

Your Committee on Conference has amended this bill by:

- (1) Amending the preamble to reflect this measure's additional purposes of improving education through technology and facility design and creating "green" jobs in the technology, construction, and general labor sectors;
- (2) Replacing the provision requiring the renovation of state buildings and facilities to meet certain energy and environmental standards, with a provision that requires:
  - (A) The design and construction of public school facilities, including certain renovation projects, to meet the Collaborative for High Performance Schools rating system, except when the guidelines conflict with the facility's use as an emergency shelter; and
  - (B) Prioritization of these public school facility projects based on certain criteria, including energy efficiency, prioritization of local and regional jobs, educational opportunities, and anticipated building life-cycle costs;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 986, 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. 986, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Gabbard, Tsutsui, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Tsutsui).

Representatives Morita, Berg, Coffman, Ching.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 129 on H.B. No. 1378**

The purpose of this bill is to increase access to health care by:

- (1) Recognizing advanced practice registered nurses (APRN) as participating primary health care providers for insurance purposes;
- (2) Authorizing APRNs to sign documents relating to health care for their patients;
- (3) Clarifying educational and other requirements for APRNs; and
- (4) Clarifying APRNs' authority with regard to prescriptions for drugs, medical equipment, and therapeutic regimens.

Your Committee on Conference has amended this bill by:

- (1) Requiring the Insurance Commissioner to perform a review in two years and report any findings to the Legislature prior to the 2012 Regular Session on the effects of expanding the scope of APRNs' professional responsibilities; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1378, 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. 1378, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Herkes, M. Lee, Nishimoto, Wakai, Finnegan.

Managers on the part of the House.

Ayes, 6. Ayes with Reservations, 1 (Finnegan). Noes, none. Excused, none.

**Conf. Com. Rep. 130 on H.B. No. 1504**

The purpose of this bill is to establish the Hawaii Health Authority to develop a comprehensive plan to provide universal health care in Hawaii.

Your Committee has amended this bill by:

- (1) Appropriating from the state health planning and development special fund \$50,000 for fiscal year 2009-2010;
- (2) Changing the effective date to July 1, 2009; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1504, 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. 1504, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Herkes, Nishimoto, Bertram, Shimabukuro, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Bertram).

**Conf. Com. Rep. 131 on S.B. No. 1058**

The purpose of this measure is to determine the effectiveness of current laws and procedures with respect to medical cannabis and *Salvia divinorum*.

Your Committee on Conference finds that the use of medically authorized or recommended cannabis does have a beneficial impact on certain patients. Your Committee on Conference also finds that *Salvia divinorum* is not regulated in Hawaii and that a task force should be established to investigate the potential benefits of regulating *Salvia divinorum*.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the patient advocate member of the medical cannabis task force be a medical cannabis advocate who is a patient that uses cannabis in a medically authorized manner and further specifying the member's appointment by the Governor;
- (2) Requiring the authorizing or recommending physician member on the task force to be nominated from a list jointly submitted by the Senate President and Speaker of the House of Representatives to be appointed by the Governor;
- (3) Requiring the Hawaii-licensed physician member on the task force to be nominated from a list jointly submitted by the Senate President and Speaker of the House of Representatives to be appointed by the Governor;
- (4) Deleting the President of the Hawaii State Bar Association from membership on the task force;
- (5) Adding the Chair of the Board of Agriculture, a representative of the American Civil Liberties Union, and one registered caregiver to the task force membership and specifying that the registered caregiver shall be appointed by the Governor;
- (6) Requiring the Legislative Reference Bureau to submit a report to the task force no later than August 30, 2009 on the policies and procedures for access, distribution, security, and other relevant issues related to the medical use of cannabis for all states that currently have a medical cannabis program;
- (7) Changing the effective date to upon approval; and
- (8) Making the technical, nonsubstantive changes necessary to incorporate the foregoing amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1058, 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. 1058, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives Karamatsu, Hanohano, Yamane, Aquino, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Yamane).

**Conf. Com. Rep. 132 (Majority) on S.B. No. 199**

As originally received, this measure limits claims for business tax credits for taxable years beginning January 1, 2009, and ending before January 1, 2011, to seventy-five per cent of the taxpayer's liability for the taxable year in which the credit is claimed. The measure also exempts certain tax credits from this limitation.

The measure in its amended form limits claims for the high technology business investment tax credit and the technology infrastructure renovation tax credit for taxable years beginning January 1, 2009, and ending before January 1, 2011, to ninety per cent of the taxpayer's liability for the taxable year in which the credit is claimed.

In addition, this measure:

- (1) Prohibits tax credit carryovers into subsequent taxable years of any high technology business investment tax credit and technology infrastructure renovation tax credit generated between January 1, 2009, and December 31, 2010;
- (2) Provides for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Temporarily removes the partner distributive share tax incentive for the high technology business investment tax credit; and
- (4) Temporarily suspends the capital goods excise tax credit for one year to coincide with the federal capital goods excise tax credit under section 179 of the Internal Revenue Code.

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

- (1) Changing the amount of the tax credit claim limitation from ninety per cent to eighty per cent of a taxpayer's tax liability;
- (2) Removing the provisions for the temporary treatment of pass-through entities for income tax credit allocation purposes;
- (3) Clarifying that the investment credit allocation ratio shall be 1 to 1 for any investment made on or after May 1, 2009;
- (4) Specifying that applicable sections of the measure apply to investments made, renovation costs incurred, or eligible tangible property placed in service on or after May 1, 2009;
- (5) Prohibiting tax credit carryover for any tax credits claimed for taxable years beginning on or after January 1, 2009 to December 31, 2010;
- (6) Removing the measure's sunset date; and
- (7) Making technical, nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 199, S.D. 1, H.D. 1, C.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 199, S.D. 1, H.D. 1, C.D. 2.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Fukunaga, Kokubun, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, 1 (Fukunaga). Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Ayes with Reservations, 1 (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 133 on S.B. No. 917**

The purpose of this bill is to ensure compliance with the Deficit Reduction Act of 2005 by strengthening the State's ability to identify and obtain payments from first or third party payers that are legally responsible to pay for health care services received by Medicaid recipients, when these payers are primary to Medicaid.

Your Committee finds that statutory loopholes currently allow some third party payers to avoid paying primary to Medicaid. This measure is designed to enhance the Department of Human Services' ability to identify third party payers that are legally responsible to pay for health care services received by Medicaid recipients and obtain payments from such third party payers when appropriate.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 917, 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. 917, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Baker, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Baker).

Representatives Yamane, Mizuno, Herkes, Nishimoto, Brower, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Herkes, Ward).

**Conf. Com. Rep. 134 on S.B. No. 423**

The purpose of this measure is to appropriate state funds to match the federal disproportionate share hospital allowance secured by Hawaii's Congressional delegation.

Your Committee finds that a federal Medicaid disproportionate share hospital appropriation has been secured for Hawaii in the amount of \$2,500,000 for each quarter for the next two fiscal years. These funds cannot be expended without a matching state appropriation. Your Committee believes that by appropriating \$12,291,054 as the State's matching share, the State will enable health care providers to continue offering quality services to Hawaii's disadvantaged populations.

Accordingly, your Committee has amended this measure by:

- (1) Appropriating \$12,291,054 for fiscal year 2009-2010 to match the federal disproportionate share hospital allowance allocated to the State, and clarifying that the funds may be used to obtain prior fiscal year federal matching funds; and
- (2) Changing the effective date from July 1, 2020, to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 423, 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. 423, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Tsutsui, Green, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Hemmings).

Representatives Yamane, Mizuno, Nishimoto, Belatti, Finnegan.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Belatti).

#### **Conf. Com. Rep. 135 on S.B. No. 1677**

The purpose of this measure is to establish legislative oversight of sales or exchanges of land, other than remnant parcels, held by the State.

Specifically, this measure:

- (1) Requires an informational briefing in the community where the land to be sold or exchanged is located prior to finalizing a proposal for the sale or exchange; and
- (2) Makes proposed sales or exchanges of state-held lands subject to legislative disapproval by the adoption of a concurrent resolution passed by a simple majority vote of both Houses of the Legislature.

Your Committee finds that a comprehensive process for the sale of state-owned land and a larger oversight role for the Legislature needs to be established to assure that key information about certain sales or exchanges of land is shared with the Legislature.

Realizing that each sale, however reasonable or necessary, is final and permanent, and recognizing that the Legislature may exercise its power over the State's land by general laws only, this measure establishes a legislative prior-approval process that must be completed before most state-owned land may be sold, and maintains the current legislative disapproval process that must be completed for the exchange of certain state-owned land for private land to be final, except as amended with regard to notification.

Your Committee has amended this measure by:

- (1) Removing sections 1 through 3 of the measure;
- (2) Adding a new part to chapter 171, Hawaii Revised Statutes, titled "Sale or Gift of Lands", which:
  - (A) Requires prior legislative approval of any sale or gift of most state-owned land by concurrent resolution by each House by at least a two-thirds majority vote of the members;
  - (B) Exempts remnants, as defined in section 171-52, Hawaii Revised Statutes, and the issuance of licenses, permits, easements, and leases from legislative approval;
  - (C) Requires the concurrent resolution submitted to the Legislature by the state department or agency proposing the sale or gift to include specified information, and a copy to be submitted to the Office of Hawaiian Affairs;
  - (D) Requires that, prior to finalizing the proposal or submission to the Legislature, the proponents of the sale or gift hold an informational briefing on the proposed sale or gift in the community where the land to be sold or given is located; and
  - (E) Exempts sales or gifts of lands between state departments or agencies, and sales of available lands under the Hawaiian Homes Commission Act;
- (3) Amending section 171-50, Hawaii Revised Statutes, which requires that any exchange of public land for private land be subject to legislative disapproval, by inserting requirements that the submitted concurrent resolution for legislative disapproval include the purpose for the exchange and that a copy of the concurrent resolution be submitted to the Office of Hawaiian Affairs; and
- (4) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1677, 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. 1677, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.



Senators Hee, Taniguchi, Fukunaga, Kokubun, Takamine, Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, 1 (Slom).

Representatives Carroll, Ito, Karamatsu, M. Oshiro, Har, B. Oshiro, Ward.  
Managers on the part of the House.  
Ayes, 6. Ayes with Reservations, 1 (Carroll). Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 136 on S.B. No. 387**

The purpose of this measure is to require the Governor or the Director of Finance to report any budget restriction of any appropriation made by the Legislature not later than thirty days after the end of each quarterly allotment period.

Your Committee upon further consideration has amended the measure by changing the effective date to "upon approval."

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 387, 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. 387, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives M. Oshiro, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 137 on S.B. No. 427**

The purpose of this measure is to clarify that amounts received by a managed care support contractor for actual costs or advances to third party health care providers made pursuant to a contract for the administration of the federal TRICARE program are exempt from the general excise tax.

Your Committee on Conference finds that this measure will help to ensure that Hawaii Medical Service Association will be able to continue to provide medical insurance coverage to the approximately 150,000 current and former military personnel and their family members who reside in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2009;
- (2) Inserting language that repeals the measure as of December 31, 2013; provided that section 237-24, Hawaii Revised Statutes, shall be reenacted in the form in which it read on June 30, 2009; and
- (3) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 427, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 427, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Tsutsui, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Yamane, McKelvey, M. Oshiro, Choy, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 138 on S.B. No. 1263**

The purpose of this measure is to protect public health and safety by updating the current statutes regarding permanent and temporary licensure for tattoo artists and permits for tattoo shops.

Specifically, this measure:

- (1) Requires a permit to be issued by the Department of Health for the operation of a tattoo shops and temporary locations where tattooing is performed;
- (2) Authorizes the Department of Health to issue temporary permits to tattoo artists not licensed in the State for educational, trade show, or product demonstration purposes;
- (3) Clarifies licensure and application requirements;
- (4) Amends enforcement and penalty provisions; and
- (5) Repeals provisions relating to facial tattoos.

Your Committee on Conference finds that tattooing has become increasingly popular in the past several years, particularly with the younger population. The statutes regulating tattoo artists and tattoo shops operating in the State have not been updated since 1981.

Your Committee on Conference has amended this measure by:

- (1) Inserting language clarifying that in addition to educational, trade show, or product demonstration purposes, the issuance of temporary licenses to tattoo artists who are not licensed in the State may be for the purpose of practicing the occupation of tattoo artist at a permitted tattoo location; and
- (2) Changing the effective date to "upon approval".

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1263, 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. 1263, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Yamane, Wakai, Ito, Nishimoto, Marumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

**Conf. Com. Rep. 139 on S.B. No. 166**

The purpose of this measure is to ensure that oral chemotherapy treatments are covered by health insurance by requiring health insurance providers to provide parity of coverage for oral and intravenous chemotherapy.

Your Committee on Conference finds that the most effective methods for cancer treatment should be available to all people. This measure will ensure that individuals with limited economic means will be able to receive the most effective methods for cancer treatment that are available.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that reimbursement is for all chemotherapy that is considered medically necessary as defined in section 432E-1.4, Hawaii Revised Statutes;
- (2) Clarifying that reimbursement shall be at the same copayment percentage or relative coinsurance amount as is applied to intravenously administered chemotherapy;
- (3) Exempting from the requirements of the measure accident only, specified disease, hospital indemnity, long-term care, or other limited benefit health insurance policies;
- (4) Inserting conforming amendments to include not only individual and group accident and health or sickness policies in the reimbursement requirement, but also individual and group hospital and medical service plan contracts, mutual benefit societies, and health maintenance organizations;
- (5) Changing the effective date to January 1, 2010; and
- (6) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 166, 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. 166, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Green, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Yamane, Nishimoto, Herkes, M. Lee, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 140 on S.B. No. 1202**

The purpose of this measure is to lay the foundation necessary to develop an electric vehicle infrastructure in Hawaii.

Specifically, this measure:

- (1) Makes fostering the research and development of nonfossil fuel and energy efficient modes of transportation one of the State's economic growth objectives;
- (2) Requires the designation of parking spaces for electric vehicles in public, private, and government parking lots;
- (3) Establishes penalties for parking a non-electric vehicle in parking spaces reserved for electric vehicles;

- (4) Requires State and county agencies that purchase new vehicles to seek vehicles with reduced dependence on petroleum-based fuels, in accordance with a priority list;
- (5) Establishes a transportation energy transformation grant fund to provide grants for the acquisition of electric vehicles, the installation of electric vehicle charging infrastructure, and innovative programs that diversify transportation energy sources in the State;
- (6) Establishes two full-time temporary positions in the Department of Business Economic Development, and Tourism to carry out the purposes of the transportation energy transformation grant fund;
- (7) Appropriates an unspecified sum for purposes of the transportation energy transformation grant fund; and
- (8) Directs the development of a battery and charging outlet plan to expedite permitting and installation of battery exchange stations and electric vehicle charging outlets throughout the State.

Your Committee on Conference has amended this measure by:

- (1) Designating that by December 31, 2011, one per cent of the parking spaces in all public, private, and government parking facilities available to the public shall be for electric vehicle use; provided that this percentage shall increase to two per cent when at least 5,000 electric vehicles are registered in the State, and thereafter by one per cent for each additional 5,000 electric vehicles registered in the State, up to a maximum of ten per cent;
- (2) Clarifying with respect to the penalties established for parking a non-electric vehicle in an electric vehicle only parking space that beginning January 1, 2012, a warning shall be issued to violators, and beginning July 1, 2013, violators will be guilty of a traffic infraction;
- (3) Deleting provisions relating to the battery charging and outlet plan;
- (4) Appropriating for each year of the 2009-2011 fiscal biennium from available and appropriated federal funds, \$20,000,000 for the purposes of the transportation energy transformation grant fund; and
- (5) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1202, 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. 1202, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Gabbard, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Kim).

Representatives Morita, Souki, McKelvey, M. Oshiro, Awana, Coffman, Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, 1 (M. Oshiro).

#### **Conf. Com. Rep. 141 on S.B. No. 912**

The purpose of this measure is to amend chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, to ensure compliance with federal Title IV-E permanency hearing requirements.

Chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, does not specifically address the federal requirement for permanency hearings at twelve month intervals to determine the permanency plan for a child in accordance with federal law. The Department of Human Services has been informed by the federal government that Hawaii's State Plan will not be approved and the State will be restricted from obtaining federal Title IV-E funds if the requisite statutory changes are not implemented. The Department of Human Services receives over fifty million dollars in Title IV-E federal funds for foster board, treatment, services, staffing, and administrative costs.

To ensure compliance with the federal requirements to receive Title IV-E funding, the Honorable Judge Francis Wong, Deputy Chief Judge and Senior Family Court Judge, convened a working group consisting of representatives of the Department of Human Services, the Department of the Attorney General, the William S. Richardson School of Law, the Court Improvement Project, guardians ad litem, parents' counsel, and the Family Court. The working group proposed amendments to S.B. No. 912, S.D. 2, H.D. 2 that would minimize the impact of the required hearings on Family Court and the Department of Human Services' operations while still meeting the federal Title IV-E requirements needed to ensure an approved Title IV-E state plan.

Your Committee has amended S.B. No. 912, S.D. 2, H.D. 2 by replacing its contents with the working group's proposed C.D. 1. The amendments are as follows:

- (1) Removing section 1, which created a new section of chapter 587, Hawaii Revised Statutes, for permanency hearings;
- (2) Adding a definition to section 587-2, Hawaii Revised Statutes, for "entry into foster care date";
- (3) Clarifying the amendments of sections 587-71 and 587-72, Hawaii Revised Statutes, and amending section 587-27, Hawaii Revised Statutes, to comply with federal law; and
- (4) Changing the effective date to July 1, 2010, because the Department of Human Services has applied for a one-year waiver.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 912, 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. 912, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Taniguchi, Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, none.

Representatives Mizuno, Ito, Brower, Ward.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 1 (Brower).

**Conf. Com. Rep. 142 (Majority) on S.B. No. 292**

The purpose of this measure is to reallocate funds from the Hawaii tobacco settlement special fund to the Department of Health, University of Hawaii revenue-undertakings fund, emergency and budget reserve fund, and the Hawaii tobacco prevention and control trust fund for two years.

This measure also allocates additional money from the Hawaii tobacco settlement special fund to the general fund for two years.

Upon further consideration, your Committee has made the following amendments to S.B. No. 292, S.D. 1, H.D. 1:

- (1) Changing the amount appropriated into the emergency and budget reserve fund from twenty-four and one-half per cent to fifteen per cent;
- (2) Changing the proposed amount appropriated into the Hawaii tobacco prevention and control trust fund from two per cent to six and one-half per cent;
- (3) Restoring the amount appropriated into the University of Hawaii revenue-undertakings fund to twenty-eight per cent from the proposed twenty-three and one-half per cent;
- (4) Changing the amount deposited to the credit of the state general fund from twenty-five per cent to twenty-five and one-half per cent; and
- (5) Changing the repeal date to June 30, 2015.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 292, 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. 292, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Ige, Kokubun, Hemmings.

Managers on the part of the Senate.

Ayes, 3. Noes, 1 (Hemmings). Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 143 on S.B. No. 972**

The purpose of this measure is to establish a special enforcement section in the Department of Taxation to carry out civil enforcement efforts to collect tax payments primarily from those taxpayers engaged in high-risk, cash-based transactions.

Your Committee on Conference finds that cash-based businesses account for a substantial sum of money in the marketplace and capturing a small fraction of the tax liability due on these amounts would help to off-set the sharp downturn in state tax revenues during 2009. Your Committee on Conference also finds that this measure will identify cash-based industries and businesses in Hawaii that are susceptible to evading the payment of income, general excise, withholding, and employment taxes.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that personnel assigned to the Special Enforcement Section may not participate in any criminal investigation;
- (2) Clarifying that investigators and other personnel shall not render legal advice;
- (3) Deleting the authority of the Director of Taxation to appoint attorneys to provide legal services without regard to chapters 28, 76, and 103D, Hawaii Revised Statutes;
- (4) Deleting the authorization to pay criminal law enforcement agencies from the proceeds collected under this measure;
- (5) Clarifying that the monetary fine associated with a cease and desist citation is discretionary, rather than mandatory;
- (6) Deleting the cap on monetary fines;
- (7) Clarifying that a finding of jeopardy shall be made in writing and is subject to appeal by the taxpayer;
- (8) Clarifying that the Director of Taxation's decision regarding a cease and desist citation may be appealed to the circuit court;

- (9) Clarifying the definition of a cash-based business to include a business that may establish reasonable criteria for accepting personal checks and removing from the definition businesses that do not issue receipts for business transactions;
- (10) Excepting from the definition of a cash-based business those businesses that offer a price differential involving cash for a bona-fide business reason;
- (11) Clarifying that a cash-based business shall not be deemed to be a cash-based business from the factors identified in this measure while a genuine dispute to that factor is pending in a contested case before any administrative agency or court;
- (12) Clarifying that the Department of Taxation has the burden to establish that currency is possessed for tax avoidance purposes, rather than creating a presumption that a person with over \$5,000 in cash in their possession without a legitimate business purpose is engaging in a tax avoidance scheme;
- (13) Clarifying that it is unlawful for a person to intentionally interfere with the Department of Taxation's efforts to obtain information about a business in relation to the initiatives of this measure;
- (14) Adding a requirement for contractors who are awarded federal construction job contracts to provide the Department of Taxation with estimated gross receipts earned on the construction project within thirty days of being awarded the contract;
- (15) Adding a penalty of \$1,000 per month, or fraction thereof, for each month that a failure to report on the gross receipts from a federal construction job contract; provided that the maximum penalty shall not exceed \$6,000;
- (16) Clarifying that the fines associated with doing business without a license are discretionary and waived with a showing of good cause, rather than being mandatory;
- (17) Adding the requirement for the Department of Taxation to report to the Legislature no later than thirty days prior to the convening of each regular session on the amount of state resources that are committed to implementing this measure;
- (18) Adding that it shall be repealed on June 30, 2014, and section 235-20.5, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of section 8 of Act 206, Session Laws of Hawaii 2007, and that sections 231-1, 237-9, and 237-12(b), Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act; and
- (19) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 972, 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. 972, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Kim, Taniguchi, Baker, Slom.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 144 on S.B. No. 1142**

The purpose of this measure is to improve patient access to medical care and ensure the public safety by clarifying the procedure and circumstances under which licensed physician assistants may provide services, including:

- (1) Signing documents, such as medical certifications, forms, orders, applications, and verifications;
- (2) Performing medical procedures or tests;
- (3) Administering immunizations;
- (4) Prescribing medications; and
- (5) Providing care in the event of public emergencies and local disasters.

This measure further improves access to medical care by limiting the liability of licensed physician assistants who render uncompensated emergency medical care to persons who are in immediate danger of loss of life, when that care is rendered in good faith and with the standard of care expected of similar physician assistants under similar circumstances.

Your Committee on Conference finds that this measure is intended to authorize the unsupervised medical care by physician assistants only in the event of a public emergency or a state or local disaster. In addition, this measure is intended to limit physician assistant liability only in specific situations pursuant to Good Samaritan laws.

Your Committee on Conference has amended this measure by changing the effective date to "upon approval" and by making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1142, 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. 1142, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Taniguchi, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Yamane, Herkes, Karamatsu, Nishimoto, Shimabukuro, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Karamatsu).

**Conf. Com. Rep. 145 on S.B. No. 415**

The purpose of this measure is to protect consumers who purchase home care services by requiring home care agencies to be licensed by the Department of Health.

Specifically, this measure:

- (1) Requires home care agencies to be licensed by the Department of Health beginning July 1, 2010, and requires the Department of Health to adopt rules for licensure;
- (2) Defines "home care agency" and "home care services";
- (3) Exempts service provider agencies under contract with the City and County of Honolulu Elderly Affairs Division from the licensing requirement; and
- (4) Authorizes the Department of Health to conduct criminal history record checks.

Your Committee on Conference finds that home care agencies provide valuable home care services, such as personal care, homemaker assistance, and respite care, to an increasing segment of Hawaii's residents. The rising demand for home care services makes it necessary to license agencies that provide these services to ensure that minimum standards of quality, safety, and responsibility are met. Accordingly, your Committee on Conference finds that requiring the licensure of home care agencies in the State will help ensure the health, safety, and welfare of consumers.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Department of Health to report to the Legislature, no later than twenty days prior to the convening of the Regular Session of 2010, any recommended proposals to ensure the prevention of financial exploitation of home care agency clients and to improve the home care licensing program;
- (2) Inserting an effective date of July 1, 2009; and
- (3) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 415, 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. 415, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Mizuno, Yamane, Wakai, Brower, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Yamane).

**Conf. Com. Rep. 146 on S.B. No. 496**

The purpose of this bill is to help ensure the efficient and effective operation and administration of charter schools by:

- (1) Clarifying that charter schools shall comply with Board of Education (BOE) and Department of Education directives made in their role as the state education agency, pursuant to a memorandum of agreement;
- (2) Eliminating the per-pupil funding method, thus requiring charter schools to follow the same budgetary request process as other state agencies; and
- (3) Making clarifying amendments.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions related to directives and a memorandum of agreement;
- (2) Restoring and expanding the per-pupil funding method;
- (3) Requiring the charter school review panel to approve the charter schools budget;
- (4) Requiring the charter school review panel to survey all charter school facilities prior to determining recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs;
- (5) Specifying the duties of the Executive Director of the Charter School Administrative Office with regard to the preparation of the budget;
- (6) Deleting proposed language related to a charter school's probationary status;

- (7) Requiring the Charter School Review Panel to establish criteria and an approval process for the development and submission of a capital improvement projects budget for charter school facilities;
- (8) Changing the effective date to July 1, 2009;
- (9) Amending the findings and purpose section to reflect the above changes; and
- (10) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 496, 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. 496, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Chun Oakland, Kidani, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Kidani).

Representatives Takumi, M. Oshiro, Finnegan.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 147 on S.B. No. 1248**

The purpose of this measure is to improve the State Enterprise Zone Program by, among other things:

- (1) Inserting limited liability companies under the definition of “qualified business” and “service business”;
- (2) Allowing the receipts, sales, and employees of a business’s establishments in all enterprise zones located within a single county to count toward qualification requirements; and
- (3) Extending Enterprise Zone Program tax incentives for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products.

Your Committee on Conference finds that this measure will enable the agricultural industry to attract investment and help to revitalize distressed communities in agricultural areas of the State. Your Committee on Conference also finds that facilitating agricultural producers and manufacturers in qualifying for the enterprise zone program will enable that industry to grow in a tax efficient manner.

Your Committee on Conference has amended this measure by:

- (1) Adding the research, development, sale, or production of genetically-engineered medical, agricultural, or maritime biotechnology products to the definition of “eligible business activity”;
- (2) Amending section 209E-10(a), Hawaii Revised Statutes, by reducing the extension of tax credits and tax exemptions for qualified businesses engaged in the manufacturing of tangible personal property or in the producing or processing of agricultural products to three additional years, rather than seven additional years;
- (3) Amending section 209E-10(c), Hawaii Revised Statutes, by limiting the continuation of the tax credit for qualified businesses engaged in the manufacturing of tangible personal property or in the producing or processing of agricultural products to three additional years, rather than seven additional years;
- (4) Including the general excise tax exemption for qualified businesses engaged in the production of genetically-engineered agricultural products under section 209E-11, Hawaii Revised Statutes, and providing that the exemption shall not exceed a total of ten years, rather a total of fourteen years;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1248, 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. 1248, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Hee, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives McKelvey, Tsuji, Morita, M. Oshiro, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (M. Oshiro, Ward).

**Conf. Com. Rep. 148 on S.B. No. 1674**

The purpose of this Act is to:

- (1) Increase the amount of the revenue bond proceeds authorized by Act 161, Session Laws of Hawaii 2007, from \$100,000,000 to \$250,000,000, to address the capital facility needs of the University of Hawaii;
- (2) Extend the lapse date of the appropriation of revenue bond proceeds authorized by Act 161 to June 30, 2013; and
- (3) Appropriate \$150,000,000 out of the revenue bond proceeds, to lapse on June 30, 2015.

Your Committee on Conference finds that, while the increase in revenue bond authority will assist the University in addressing its capital facility needs, the current economic climate dictates a less substantial increase.

Your Committee on Conference has amended this measure accordingly, by reducing the increased amount from \$150,000,000 to \$100,000,000

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1674, 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. 1674, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Chang, M. Oshiro, Nakashima, Yamashita, Ching.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 149 on S.B. No. 43**

The purpose of this measure is to:

- (1) Establish the John A. Burns School of Medicine special fund to support physician workforce assessment and planning;
- (2) Assess a fee upon renewal of physician and osteopathic physician licenses, with proceeds to be deposited to the special fund;
- (3) Require the Director of Commerce and Consumer Affairs to disburse on a quarterly basis from the compliance resolution fund to the credit of the John A. Burns School of Medicine special fund all moneys collected from the fee;
- (4) Require recurring physician workforce assessments reports by the John A. Burns School of Medicine; and
- (5) Appropriate unspecified moneys from the general fund and the compliance resolution fund to the John A. Burns School of Medicine special fund.

Your Committee on Conference finds that assessing Hawaii's physician workforce on a continual basis will support proactive measures to prevent or ameliorate the impact of physician shortages in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Limiting expenditures from the John A. Burns School of Medicine special fund to no more than \$150,000 annually;
- (2) Assessing a \$60 fee upon renewal of physician and osteopathic physician licenses;
- (3) Deleting the general fund appropriation;
- (4) Appropriating \$5,000 from the compliance resolution fund to the John A. Burns School of Medicine special fund, to be reimbursed by June 30, 2010;
- (5) Making the effective date July 1, 2009; and
- (6) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 43, 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. 43, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Ige, Kim, Baker, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kim, Hemmings).

Representatives Yamane, Chang, Herkes, Nishimoto, Nakashima, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 150 on S.B. No. 1329**

The purpose of this measure is to clarify provisions of the early learning system established by Act 14, Special Session Laws of Hawaii 2008, by:

- (1) Including a requirement that the Early Learning Council develop a plan to ensure that the needs of junior kindergartners are addressed;



- (2) Authorizing all Early Learning Council members to designate representatives for their role on the council; and
- (3) Renaming the Keiki First Steps Trust Fund as the Early Learning Trust Fund.

Your Committee finds that the work of the Early Learning Council, created by Act 14, is essential in that it involves development of a comprehensive early childhood education system for the State to coordinate and improve upon the fragmented services currently being offered. Your Committee further finds that it is important to provide the Council with the flexibility it requires to carry on this important mission. To this end, the measure allows the Governor's appointees to the Council to name designees.

Your Committee further finds that this measure can improve the early learning system by ensuring that the developmental and early learning needs of the State's young children are addressed by strengthening the two-tier junior kindergarten and kindergarten program and establishing stricter criteria for moving students between tiers.

Your Committee has amended this measure by:

- (1) Inserting a provision that requires the Department of Education, beginning with the 2010-2011 school year, to use successful assessment tools and protocols for determining a student's initial placement and for decision making about a student's movement between junior kindergarten, kindergarten, and into grade one;
- (2) Removing the requirement that the Early Learning Council develop a plan to phase out the junior kindergarten program; and
- (3) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1329, 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. 1329, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Tsutsui, Sakamoto, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Takumi, M. Oshiro, C. Lee, Ching.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

#### **Conf. Com. Rep. 151 on H.B. No. 427**

The purpose of this bill is to encourage the development of alternative energy and renewable fuel technologies by authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$40,000,000, to assist One Planet Pacific Energy, LLC, with the planning, designing, constructing, and equipping of, and the acquisition of lands for, a gasification facility.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 427, 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. 427, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ching).

#### **Conf. Com. Rep. 152 on H.B. No. 1627**

The purpose of this bill is to support the development of alternative energy in the state by authorizing the issuance of up to \$40,000,000 in special purpose revenue bonds to assist Carbon Diversion Inc. with the establishment of cogeneration and related energy-production facilities at various locations in the state.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1627, 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. 1627, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 153 on H.B. No. 1628**

The purpose of this bill is to support the development of alternative energy by authorizing the issuance of up to \$100,000,000 in special purpose revenue bonds to assist BioEnergy Hawaii, LLC, in establishing a cogeneration facility and related energy production facilities.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity and style

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1628, 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. 1628, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 154 on H.B. No. 1483**

The purpose of this bill is to encourage responsible environmental stewardship by authorizing the issuance of special purpose revenue bonds in a total amount not to exceed \$45,000,000, to assist Better Place Hawaii, Inc., to plan, design, construct, and develop transportation infrastructure, equipment, and apparatus to support electric vehicles in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Changing the effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1483, 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. 1483, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 155 on H.B. No. 1678**

The purpose of this bill is to help Hawaii meet its goals and mandates for energy efficiency and renewable energy use, as well as reduce Hawaii's burden of municipal solid waste disposal, by authorizing the issuance of up to \$80,000,000 in special purpose revenue bonds to assist LifeGrid Solutions, LLC, in the planning, design, and construction of a biofuel refinery and research facility on the island of Oahu.

Your Committee on Conference has amended this bill by:

- (1) Changing its effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1678, 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. 1678, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Morita, Coffman, Ching.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 156 on H.B. No. 34**

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the executive branch and the judiciary.

Your Committee finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State 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 has amended this measure by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance;
- (2) Inserting a specific reference to a guaranty amounting to \$2,500,000 authorized under Act 233, Session Laws of Hawaii 2008, relating to Important Agricultural Lands; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 34, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 34, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Hooser, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives M. Oshiro, M. Lee, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 157 on H.B. No. 35**

The purpose of this bill is to provide an income tax credit to every resident individual taxpayer of the state to satisfy constitutionally-mandated requirements.

Your Committee on Conference has amended this measure by:

- (1) Inserting an amount of \$1 for the tax credit; and
- (2) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 35, 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. 35, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Galuteria, Hooser, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives M. Oshiro, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 3. Ayes with Reservations, 1 (Ward). Noes, none. Excused, 1 (Choy).

**Conf. Com. Rep. 158 on H.B. No. 1495**

The purpose of this bill is to generate additional general funds to ensure the delivery of critical services statewide by repealing the deduction of wagering losses for the purposes of the Hawaii state income tax.

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

- (1) Making the provisions of this bill applicable to taxable years beginning after December 31, 2008, instead of December 31, 2009;
- (2) Changing the effective date to upon approval; and

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1495, 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. 1495, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives M. Oshiro, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Choy).

**Conf. Com. Rep. 159 on H.B. No. 1544**

The purpose of this bill is to conform the state income tax exemption to the personal exemption phase-out provision found in Section 151 of the Internal Revenue Code. This bill also adjusts the income level at which the phase-out begins by using the inflation-adjusted amounts as of July 1, 2008, and by further reducing those amounts by 25 percent.

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

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1544, 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. 1544, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Hooser, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Slom).

Representatives M. Oshiro, Chong, Choy, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 160 (Majority) on H.B. No. 754**

The purpose of this bill is to make various improvements to the Hawaii Tourism Authority (HTA) and tourism laws by:

- (1) Requiring the private contractor that operates the Convention Center and its concessions and concession spaces to be subject to the Hawaii Public Procurement Code and provisions relating to concessions on public property;
- (2) Transferring functions relating to tourism research and statistics from the Department of Business, Economic Development, and Tourism, to HTA;
- (3) Removing the ex-officio members from the HTA Board and placing them in an advisory group to HTA;
- (4) Renaming the "Executive Director" of HTA to the "President and Chief Executive Officer" and clarifying the position's duties;
- (5) Clarifying the laws relating to measures of effectiveness of the tourism marketing plan;
- (6) Expanding the scope of a "tourism emergency" to include a national or global economic crisis and requiring the Governor's approval for HTA to take action in response to a declaration of a tourism emergency;
- (7) Earmarking an unspecified percentage of funds allocated to the Tourism Special Fund (TSF) from the Transient Accommodations Tax (TAT) to be used for tourism product development and cultural programs; and
- (8) Removing the repeal date for provisions that allow HTA to retain private attorneys.

Your Committee on Conference finds that the difficult times currently being experienced by the State's major industry, tourism, presents an opportune time to implement some administrative changes to streamline the operations of HTA.

Changing the title of the Executive Director of HTA to President and Chief Executive Officer, while it may appear cosmetic, clarifies the duties and responsibilities of the position while instilling a more business-like atmosphere in the HTA boardroom. Eliminating the sunset provision on the ability of HTA to hire its own private attorneys should also result in streamlined operations.

With regard to tourism emergencies, recent national and global economic crises have led to the cancellation of conventions, corporate retreats, business travel, and family vacations to Hawaii. These cancellations have been reflected in an overall drop in statewide visitor arrivals that is predicted to decline further. The provisions in this measure will enable HTA to react in a timely manner to address a national or global economic crisis and will strengthen the State's efforts to eliminate or mitigate the effects of such a crisis.

Your Committee on Conference notes that timely and accurate tourism-related research, including compilation and analysis of data, is important for the development and implementation of an effective visitor industry program. Joining tourism research and statistical data with the market intelligence research of various major market areas under one agency will allow the State to efficiently address the volatility of the tourism market.

The provisions in this measure with regard to measures of effectiveness of HTA's marketing plan will help to address concerns raised in the Auditor's report released on January 14, 2009, regarding HTA and its long-term strategy for addressing tourism in Hawaii.

Your Committee on Conference has amended this bill by:

- (1) Clarifying the provisions relating to the Hawaii Public Procurement Code that apply to construction contracts for the maintenance of the Hawaii Convention Center;
- (2) Removing provisions that would have allocated funding for tourism product development and cultural programs;
- (3) Inserting provisions requiring 0.25 percent of remaining revenues from the TAT after distribution to other designated receivers to be deposited into the TSF for fiscal year 2010-2011, provided that S.B. No. 1111, S.D. 1, H.D. 1, C.D. 1, Regular Session of 2009, is enacted;
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 754, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 754, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kim, Galuteria.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Manahan, Tokioka, Evans, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, 1 (Ward). Excused, none.

#### **Conf. Com. Rep. 161 on H.B. No. 899**

The purpose of this bill is to clarify and strengthen the authority of the Office of Hawaiian Affairs (OHA) to issue revenue bonds to obtain funding for its projects by:

- (1) Authorizing the OHA Board of Trustees to:
  - (A) Issue revenue bonds without legislative authorization and approval; and
  - (B) Use OHA revenues, including general fund appropriations, to secure, and pay the interest and principal of revenue bonds;

and
- (2) Updating procedures and requirements for the issuance and sale of revenue bonds and investments in the bonds to reflect current government bond practices.

Your Committee on Conference finds that this measure is both timely and appropriate. Although OHA has never issued revenue bonds, the Hawaii and national economies are now creating a renewed impetus for OHA to seek alternative sources of funding for its projects. This bill will assist OHA in this endeavor.

Your Committee on Conference has amended this bill to address concerns of the State Attorney General under the Hawaii Constitution, by:

- (1) Including provisions that make the issuance of revenue bonds contingent on legislative authorization; and
- (2) Defining "revenues of the office," and making other clarifying amendments to ensure that general fund appropriations are not used to secure or pay the interest and principal on the revenue bonds.

The bill has also been amended to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 899, 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. 899, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Fukunaga, Slom.  
Managers on the part of the Senate.

Ayes, 3. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Fukunaga).

Representatives Carroll, M. Oshiro, Ward.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 162 on H.B. No. 1364**

The purpose of this bill is to require the Governor or Director of Finance to submit a report to the Legislature for each restriction placed on an appropriation authorized by the Legislature.

This bill, among other things, also:

- (1) Appropriates federal funds to various programs that are expected to receive federal support under the American Recovery and Reinvestment Act (ARRA) of 2009;
- (2) Reduces general fund appropriations for programs receiving offsetting federal funds;
- (3) Appropriates general funds to the adult mental health outpatient program and the Hawaii Health Systems Corporation; and
- (4) Appropriates additional Temporary Assistance for Needy Families funds that the State recently qualified for under the Deficit Reduction Act of 2005.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii Constitution, the Governor, in her Governor's Message No. 298 to the Legislature, as amended in a subsequent message dated April 17, 2009, requested immediate consideration and passage of this bill by the Legislature citing a budget shortfall in FY 2008-2009 and the need to promote openness and transparency in the use of ARRA funds.

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

- (1) Deleting the reporting requirements on restricted appropriations;
- (2) Changing the means of financing for appropriations relating to the Hawaii Health Systems Corporation (HTH 210) from the general fund to the Emergency and Budget Reserve Fund;
- (3) Changing the means of financing for appropriations relating to the adult mental health outpatient program (HTH 420) from the general fund to the Emergency and Budget Reserve Fund;
- (4) Inserting the sum of \$175,966 in federal funds for fiscal year 2008-2009 for the program to educate the homeless in the Department of Education's instructional support program (EDN 200);
- (5) Accounting for a \$25,000,000 general fund increase for the Medicaid program in fiscal year 2008-2009; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1364, 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. 1364, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Galuteria, Kokubun, Tsutsui.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 1 (Kokubun).

Representatives Tokioka, M. Oshiro, Choy, Keith-Agaran, B. Oshiro, Pine.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 2 (Choy, B. Oshiro).

**Conf. Com. Rep. 163 on H.B. No. 183**

The purpose of this bill is to improve the administration and operations of the Hawaii Teacher Standards Board (HTSB) by:

- (1) Establishing an advisory committee to:
  - (A) Provide oversight of HTSB;
  - (B) Provide to the Governor lists of qualified candidates from which HTSB members shall be nominated and, by and with the consent of the Senate, appointed by the Governor;
  - (C) Present to the Board of Education (BOE) a list of qualified candidates from which an executive director of HTSB shall be appointed; and
  - (D) Submit an annual report to BOE and the Legislature on HTSB operations;
- (2) Allowing HTSB to:
  - (A) Determine the manner by which teacher licensing fees are collected; and
  - (B) Adopt, amend, repeal, or suspend HTSB policies and standards;
- (3) Making permanent HTSB's authority to temporarily suspend its rules in extenuating circumstances;

- (4) Making permanent HTSB's authority to amend licensing-related fees and set or amend other charges related to the performance of HTSB's duties; and
- (5) Authorizing and appropriating funds for HTSB to coordinate the creation of a data interface network consisting of public and private teacher education institutions and the Department of Education (DOE) to support the free interchange of information valuable to all of the participating organizations.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions establishing an advisory committee for HTSB;
- (2) Changing HTSB membership as follows:
  - (A) Increasing membership from 13 to 15 members by adding two members of the public, who shall be appointed by the Governor from lists of qualified nominees submitted to the Governor by the Hawaii Business Roundtable, Hawaii P-20 Council, and Hawaii Workforce Development Council;
  - (B) Clarifying that HTSB shall consist of not less than six licensed teachers regularly engaged in teaching at the time of the appointment; and
  - (C) Clarifying that HTSB shall consist of three educational officers employed at the time of the appointment;
- (3) Continuing to require the Governor to appoint HTSB members from a list of qualified nominees submitted to the Governor by the departments, agencies, and organizations representative of the constituencies of HTSB, but also requiring current HTSB members to be involved in the submission of the list;
- (4) Repealing statutory provisions regarding the initial terms of the appointed members to allow for staggered appointments;
- (5) Allowing HTSB to employ an executive director for a term of up to four years, who shall be appointed by BOE, and also allowing HTSB to terminate the executive director's contract for cause;
- (6) Requiring HTSB to submit its annual report to BOE;
- (7) Authorizing HTSB, through June 30, 2010, to grant additional licensing extensions;
- (8) Deleting provisions relating to the authorization for HTSB to coordinate the creation of a data interface network to support the free interchange of information valuable to all of the participating organizations;
- (9) Adding provisions requiring HTSB, DOE, and the Charter School Administrative Office to, beginning on July 1, 2009, implement interim policies and procedures for the mutual sharing of data necessary for licensing and verifying the status of teachers;
- (10) Deleting the appropriation for HTSB to coordinate the creation of the data interface network;
- (11) Requiring the Legislative Reference Bureau to review the findings of the auditor's Report No. 09-05 and make recommendations, including proposed legislation, regarding:
  - (A) Whether there is a need for oversight of HTSB, and how oversight is provided for similar boards; and
  - (B) How to strengthen and clarify interagency roles, responsibilities, and relationships between HTSB, DOE, and the Teacher Education Coordinating Committee;
- (12) Requiring the dean of the University of Hawaii at Manoa College of Education to convene a working group to review and make recommendations to address various licensing and relicensing issues, teacher preparation program alignment with national standards and the role of national accreditation of teacher preparation programs in Hawaii, and the role of higher education institutions in assisting teachers in achieving National Board certification;
- (13) Requiring HTSB to review the findings of the auditor's Report No. 09-05, and make recommendations for policy and procedural changes necessary to refocus and support the purpose of HTSB;
- (14) Changing its effective date to July 1, 2009; provided that on July 1, 2010, the provisions authorizing HTSB to grant additional licensing extensions through June 30, 2010, shall be repealed and section 302A-805, Hawaii Revised Statutes, shall be reenacted in the form in which it read on June 30, 2009; and
- (15) Making technical, nonsubstantive amendments for clarity, consistency, and style, including adding to the purpose section to reflect the contents of the bill.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 183, 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. 183, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Tsutsui, Chun Oakland.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Chun Oakland).

Representatives Takumi, Rhoads, M. Lee, Nakashima, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Finnegan).

**Conf. Com. Rep. 164 on H.B. No. 1405**

The purpose of this measure is to conform the State's tax laws to the multi-state Streamlined Sales and Use Tax Agreement.

Your Committee has amended this measure by:

- (1) Deleting the contents of the measure and replacing it with the contents of H.B. No. 1405, H.D. 2.;
- (2) Adding a provision to create a nexus standard for taxing out-of-state businesses on their business activities in Hawaii; and
- (3) Adding a severability provision.

Your Committee on Conference notes that Part II of the measure adds a new section to chapter 231, Hawaii Revised Statutes, and further notes that this measure's title relates to general excise taxes. Your Committee on Conference finds that chapter 231, Hawaii Revised Statutes, relates to the administration of taxes, including general excise taxes. Therefore, your Committee on Conference finds that Part II of the bill falls within the measure's title and relates to the entire subject matter of the measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1405, 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. 1405, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Tsutsui, Ige.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 165 (Majority) on H.B. No. 900**

The purpose of this bill is to appropriate funds for the operating and capital improvement budget of the Office of Hawaiian Affairs to support programs that benefit Hawaiians and native Hawaiians for the fiscal biennium July 1, 2009, through June 30, 2011.

Realizing the sacrifices being made by all departments in light of the current economic situation, the Office of Hawaiian Affairs submitted testimony in support of a twenty per cent reduction to its general fund appropriation. Your Committee is in agreement with the Office of Hawaiian Affairs and reduced the general fund appropriation to the Office of Hawaiian Affairs by \$617,415.

The appropriation of general funds to the Office of Hawaiian Affairs is contingent upon the transfer from the Office of Hawaiian Affairs to the State, the State's share of the Hokulia settlement (Kelly v. Oceanside) legal fees plus interest. The Office of Hawaiian Affairs Board of Trustees has agreed to transfer fifty per cent of the legal fees plus interest, which amounts to \$1,241,615.

Your Committee recognizes the importance of the services and advocacy the Office of Hawaiian Affairs provides its beneficiaries and finds that this measure is necessary to continue support of the programs benefitting Hawaiians and native Hawaiians.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 900, 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. 900, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Hemmings.  
Managers on the part of the Senate.  
Ayes, 2. Noes, 1 (Hemmings). Excused, none.

Representatives Carroll, M. Oshiro, Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 166 on H.B. No. 300**

The purpose of this measure is to appropriate funds for the operating budget of the Judiciary for fiscal years 2009-2010 and 2010-2011 and capital improvement budget for fiscal year 2009-2010.

Your Committee on Conference finds that the Governor's financial plan, as presented to the Legislature in December 2008, characterized the entire judicial branch of government as "discretionary" and proposed reducing its general fund operating budget by a full twenty per cent. The Judiciary did not agree with the Governor's plan and, in fact, presented the Legislature with a request for increases to their general fund budget of \$7,023,237 in fiscal year 2009-2010 and \$10,105,072 in fiscal year 2010-2011.

Your Committee on Conference is concerned by the damage to the court system's operations that would occur under the Governor's proposed budget for the Judiciary, but also recognizes that reductions are unavoidable under present fiscal conditions. Your Committee on Conference restored nearly \$20,000,000 of the Governor's proposed general fund reduction of \$40,000,000. This reduces the Judiciary's general fund appropriation request, as reflected in H.B. No. 300, H.D. 1, by twelve per cent in fiscal year 2009-2010 and fourteen per cent in fiscal year 2011.

The timely opening of the Juvenile Detention Center and Family Court in Kapolei is a priority for the Judiciary. As such, your Committee on Conference provided twenty-two positions and \$2,065,183 for additional costs related to the Kapolei Court Complex.



In an effort to remain cognizant and supportive of the need for capital improvements to all Judiciary facilities, statewide, your Committee on Conference has provided \$9,775,000 in general obligation bond funding for critically needed projects. Such funding has been provided only in the first year of the biennium, with the intention of enabling the Judiciary to immediately address these needs while also creating additional jobs and economic stimulus, which are immediate priorities for the State. Your Committee will continue to closely monitor economic conditions, but also believes it important to remain mindful of not only the Judiciary's future capital needs, but also their ability to undertake such projects, before making funding decisions for fiscal year 2010-2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 300, 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. 300, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kim, Tsutsui, Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, none.

Representatives Karamatsu, M. Oshiro, Pine.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 167 (Majority) on H.B. No. 200**

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Executive Branch for fiscal year 2009-2010 and fiscal year 2010-2011.

**INTRODUCTION**

This measure is by far the largest component of the State's expenditure plan and was crafted to tighten up general fund spending, while continuing to respond to our diverse community's needs and priorities. Contained in this measure is the spending authorization required for the operation of the public school, university, and public health systems; programs that make up the social safety net; programs that help to support various sectors of the economy; and other programs that support the governance of our society as required by our state constitution.

In response to the global economic downturn, many difficult choices had to be made in developing this budget. In some cases, your Committee on Conference was unable to restore the Governor's cuts to core programs and was forced to make additional cuts in less-core areas. Despite the difficulty of making these decisions, your Committee on Conference has approached this task as an opportunity to refocus and streamline state government where possible.

Your Committee on Conference appreciates the efforts of all those who have provided input regarding the budget, including the directors of executive departments who testified at the pre-session briefings, the state employees who fielded hundreds of questions from legislators and staff, and the thousands of engaged citizens who shared with us their thoughts and concerns.

**ECONOMIC OUTLOOK**

National Economic Outlook

The National Economic Outlook is uncertain. As of April, 2009, the United States unemployment rate had reached 8.5 per cent. Michigan, at 12.6 per cent, had the highest rate of unemployment in the nation.

Signs of the gravity of the current economic contraction had become clear more than a year ago, when investors began to question the value of real estate assets held by Bear Sterns Companies, Inc. The problem began when individuals who couldn't afford home ownership were awarded mortgage loans, known as subprime loans. Lenders who made these subprime loans resold them to other institutional players, such as Fannie Mae, the Federal National Mortgage Association.

The first indication of our current economic contraction was when investors determined that the credit default swaps that Bear Sterns Companies, Inc. was relying on to protect it from exposure to subprime loans were worthless. Investors began to inspect the balance sheets of banks and other financial intermediaries, and question the real value of mortgages on all commercial and residential property, that was stated as assets on the balance sheets of these financial institutions. When investors concluded that the book value of these assets exceeded the market value, the selling, and thus the economic contraction, began. Lehman Brothers Holdings, Inc. collapsed on September 15, 2008; and the American International Group, which sold the credit default swaps that pay off if the mortgages enter default, became the subject of an ongoing federal "bailout."

When the banking system was called into question, the banks, having nothing to lend, cut the supply of credit, jeopardizing all businesses, which generally run on credit for one accounting period.

Despite the pervasiveness of the calamity, welcome signs of a recovery are emerging. Some economists say that a number of indicators appear to have bottomed out in recent months. Consumer confidence is increasing. Home sales are starting to pick up. Stocks are enjoying a limited rally.

While there may be movement toward recovery, many economists believe that the current recession will not end until much later this year, and some believe it will last until 2010. However, many of these forecasts were made before the nearly \$800 billion federal stimulus package, enacted earlier this year, began to have an effect. Based on more recent forecasts, some economists argue that the stimulus plan could create stronger than expected growth, and much sooner than the consensus forecasts.

The Economic Outlook for Hawaii

The State's unemployment rate increased from 6.5 per cent to 7.1 per cent between February and March 2009. According to the state Department of Labor and Industrial Relations, February's unemployment rate was the highest since the 6.6 per cent rate recorded in 1978. The State's unemployment rate is not expected to peak until the fourth quarter of 2009.

Though Hawaii's unemployment rate is lower than the national rate, our islands have not been spared economic problems. In February 2009, the occupancy rate for Hawaii hotels was at its lowest rate since 1991. In March 2009, the number of visitors who arrived by air fell 17.2 per cent, and spending by these visitors fell 24.4 per cent, according to the Department of Business, Economic Development, and Tourism. Our island economy continues to be impacted by the loss of ATA and Aloha Airlines, two cruise ships, the Hawaii Superferry, and the closure of Molokai Ranch. Construction slowed dramatically in 2009, resulting in decreased revenue and additional job losses.

Oil prices, the housing market, and United States credit remain wild-card factors that could have long-lasting impacts on the Hawaii economy. As of April 2009, the economic outlook for Hawaii remains uncertain.

#### GENERAL FUND REVENUE OUTLOOK

By statute, the Council on Revenues reports its latest tax revenue forecast to the Governor and the Legislature on June 1, September 10, January 10, and March 15 of each year. The revenues come primarily from the general excise tax and the state income tax. Since the March 2008 forecast, the Council on Revenues has reduced each prediction of tax revenues for the coming fiscal years. From March 2008 to October 2008, the Council's general fund tax revenue projection through the upcoming biennium dropped by \$1.341 billion.

The Governor based the administration's original biennium budget request on the October 2008 Council on Revenue projection. In early January 2009, soon after the Governor's budget was finalized and submitted to the Legislature, the Council on Revenue revised its forecast downward; the projection was reduced by \$637 million through the coming biennium. Thus, from the Council's March 2008 projection to the January 2009 projection, general fund revenues have declined by nearly \$2 billion.

The House draft of the budget was balanced based upon the Council on Revenue's January forecast, in part by controlling expenditures through eliminating programs and filled and vacant state government positions, cutting into the base budget, and transferring general fund expenses to non-general funds. Then, on March 12, 2009, the Council's tax revenue outlook was again downgraded by \$262 million over the biennium (down \$92.8 million in the current year, \$115.8 million in FY2010 and \$53.4 million in FY2011), and the Senate took on the task of creating an even slimmer budget to balance with the new revenue projection.

#### BUDGET OVERVIEW

Never before has the State faced a declining revenue picture approaching the magnitude of that currently confronting the 25th Legislature. In fact, the \$2 billion shortfall through the biennium budget, projected at the start of this legislative session, left many individuals in various states of denial. While considerable budget reductions are a necessary component of a balanced financial plan, they are just one factor in aligning the State's expenditures and revenues.

In an effort to close the budget shortfall, the Governor requested each department to reduce the department's discretionary budget by twenty per cent. The factors that determined the amounts deemed discretionary are not entirely clear, and many departments did not meet the target reduction. Nonetheless, reductions resulting from this exercise and other adjustments made by the Governor resulted in a net decrease of state operating costs of \$209 million for FY2010 and \$186 million for FY2011. Previously authorized collective bargaining amounts and other fixed cost adjustments resulted in the Governor's fiscal biennium 2009-2011 executive budget request of \$5.361 billion for the first fiscal year, and \$5.464 billion the second fiscal year.

Subsequent to the introduction of the House draft of the state budget, the Governor adjusted the biennium budget request. These adjustments included reductions to account for the use of such funds as the Emergency and Budget Reserve Fund and the federal American Recovery and Reinvestment Act of 2009 (ARRA) stimulus funds. This, along with other adjustments, lowered the net executive budget request by \$190 million and \$69 million for FY2010 and FY2011, respectively.

In H.B. No. 200, S.D. 1, the Senate restored some of the cuts made by the Governor and the House through the appropriation of ARRA funds, but made new cuts in other areas. House Bill No. 200, S.D. 1, achieved a net reduction to the Governor's proposed budget as adjusted for Governor's Message items of \$58 million in FY2010 and \$83 million in FY2011. Reductions were generally attained by moving operating expenses from general funds to non-general funds where appropriate; reducing programs of limited value or great expense for the benefits derived; reducing positions that, with some exception, were vacant for one year or longer; and reducing a limited number of exempt positions not necessary to core government functions.

Aware of the harm that further reduction to the budget could cause to the State's ability to deliver vital services to the public and of the potential for long-term disarray within state agencies that could arise, your Committee on Conference set out to find common ground in order to reduce the Governor's proposed budget in areas it believes to be least detrimental to core and direct services. This was done primarily by compromising between the House of Representatives and Senate positions, making use of available ARRA funds, and reducing funds for deputy director positions in the second fiscal year.

#### DEPARTMENT HIGHLIGHTS

##### Human Services

Especially in these unfavorable economic times, your Committee on Conference recognizes the importance of supporting the Department of Human Services' efforts to provide services to those most in need. Because of the continuing economic contraction, the Governor's budget reduced Department of Human Services' discretionary expenditures by twenty-nine per cent in FY2010, and FY2011. These reductions would have resulted in the loss of important services to the State's most vulnerable citizens.

Your Committee on Conference appropriated \$714 million in FY2010 and \$780 million in FY2011 in general funds to allow the Department of Human Services to continue protecting and empowering the State's most vulnerable citizens. Highlights of general fund appropriations include \$459 million in FY2010 and \$525 million in FY2011 for the MedQuest Program; \$25.5 million each year

for Cash Support for Families-Self-Sufficiency; \$15.6 million each year for Case Management for Self-Sufficiency; \$19 million each year for Cash Support for Child Care, which in large part helps to maintain the State's claim to an annual federal TANF block grant.

With the help of federal ARRA funds, your Committee on Conference was able to appropriate \$2.6 million in FY2010 and \$3.1 million in FY2011 to restore the Adult Dental Program, which was cut by the Governor. In addition, your Committee on Conference partially restored funding for Immigrant Health Services, also cut by the Governor. In total, your Committee on Conference appropriated \$211 million in FY2010 and \$105 million in FY2011 in ARRA funds for Department of Human Services programs. In addition, your Committee on Conference appropriated \$25 million in FY2010 to address an existing ongoing shortfall in the Department.

In order to support the increasing number of Hawaii families who must turn to Temporary Assistance for Needy Families (TANF) as a result of the current economic situation, the federal government authorized additional funds for the TANF program. As a result, your Committee on Conference was able to increase TANF expenditures to help address this growing need. To continue providing services to those in need, and to meet increased demand for essential services due to the economic downturn, your Committee on Conference finds that it will be necessary to draw on TANF reserve funds for \$41.7 million in FY2010, and \$23.8 million in FY2011. Your Committee on Conference notes that the drain on TANF reserve funds would have been much more significant without the increased federal support received by the State.

Additionally, your Committee on Conference was able to appropriate ARRA money and other federal funds for the following TANF-related purposes: \$20 million in FY2010 and \$5 million in FY2011 of TANF contingency funds; \$25 million in FY2010 and \$6.25 million in FY2011 of TANF emergency funds; \$5.4 million each fiscal year, of TANF assistance for non-IV E foster children; and \$3.5 million in FY2010 and \$900,000 in FY2011 for other assistance to non-IV E children.

#### Hawaii Health Systems Corporation and Kahuku Hospital

Your Committee affirms its support and commitment to providing the resources necessary to help Hawaii Health Systems Corporation (HHSC) maintain its current level of services. HHSC facilities face tremendous challenges with, among other things, federal and private reimbursement rates failing to keep pace with rising medical costs. HHSC is an essential public safety net for many residents and visitors, especially on the neighbor islands. To help maintain the current level of essential health care services by those facilities, your Committee on Conference provided a general fund subsidy of \$14.3 million for FY2010, to be expended to the extent possible for Medicaid eligible services. In addition, your Committee on Conference increased HHSC's special fund ceiling by \$14.7 million for FY2010 and \$14.5 million for FY2011 for additional health care payments anticipated to be received from the Department of Human Services.

Your Committee on Conference is concerned with the management, both fiscally and operationally, of the HHSC regions. Thus, your Committee on Conference created a new program, HHSC Regions (HTH 212), to increase transparency and accountability. In addition, your Committee on Conference has earmarked \$500,000 in general funds for a comprehensive review and evaluation of the HHSC corporation and its regions.

#### Health

Your Committee on Conference is dedicated to protecting the health and well-being of people in Hawaii and ensuring basic health care to all. This is especially challenging given the growing need for health care in the face of economic hardship. It is vital that health care be available and accessible to everyone. To meet this need, your Committee on Conference increased funding to critical services that were either reduced or eliminated in the Governor's budget.

Community health care centers serve as a safety net for many individuals who otherwise would not receive vital health care. Health care centers are experiencing an increase in the number of individuals seeking services, and this demand is expected to grow. To ensure that all residents are able to receive medical care, your Committee on Conference increased funding to community health care centers throughout the State to a total of \$6,591,526 in each fiscal year.

Your Committee on Conference is also concerned that the downturn in the economy increases untold stress on individuals and families. To address this concern, your Committee on Conference restored funding for the following programs and services that were eliminated by the Governor. Funding for these services will come from special funds.

- Partnership in Community Living to provide last-resort support for families of developmentally disabled individuals who are not eligible for Medicaid: \$700,000.
- Healthy Start to prevent child abuse and promote positive parent-child relationships: \$3 million.
- Respite care to provide temporary relief to families that have ongoing care giving responsibilities for family members with developmental or mental disabilities: \$376,953.

The ARRA provides federal stimulus funds in the amount of \$90 million for FY2010 and \$19.6 million for FY2011. This infusion of funding will have a significant impact on the following programs and services:

- Enhanced federal Medical Assistance Percentage reimbursements will reduce the need for the following general fund expenditures:
  - ❖ Developmental Disabilities: \$16 million in FY2010 and \$8 million in FY2011;
  - ❖ Adult Mental Health: \$4 million in FY2010 and \$1.5 million in FY2011;
  - ❖ Child and Adolescent Mental Health: \$2.6 million in FY2010 and \$1.8 million in FY2011.
- Early Intervention for Children to ensure compliance with federal Individuals with Disabilities Education Act, Part C: \$2.6 million in FY2010 and \$197,343 in FY2011.

- Emergency Medical Services (EMS) to implement a statewide mobile electronic health record exchange system and a broadband telecommunication system to send critical patient information between EMS personnel and emergency department physicians: \$10.9 million in FY2010 and \$7.9 million in FY2011.
- Environmental Management to provide grants for drinking water and wastewater infrastructure improvements, reduce diesel emissions for school buses, oversee underground storage tanks, and contract technical expertise for water quality standards: \$53.9 million in FY2010.

Your Committee on Conference finds that the reorganization plan proposed by the Department of Health and the Governor does not deliver any cost savings or efficiencies for the program or services and, in fact, may have a negative impact on clients and staff, disrupt the delivery of services, and incur additional costs.

Your Committee on Conference diligently strove to work with the Department of Health. However, the Department chose not to assist in identifying less core services and possible areas for reduction. It must also be noted that your Committee on Conference has made its best effort in developing this budget without pertinent information from the Department, particularly the itemized operating biennium budget for fiscal biennium 2009-2011.

#### Public Education

Your Committee on Conference recognizes the importance of providing a quality education to our children to ensure that they are able to thrive in the global society now and in the future. Preserving school-level funding, particularly funds to be distributed via the weighted student formula, is a top priority of your Committee on Conference. Unfortunately, your Committee on Conference was not able to restore the \$40 million in non-weighted student formula program cuts that were included in the Governor's budget and accepted by the Board of Education.

Hawaii is fortunate to be receiving federal stimulus dollars to support education and other state programs in the upcoming biennium. Your Committee on Conference is pleased to have the ability to appropriate stimulus dollars for the following educational programs: \$19.8 million for Title I and Educational Technology in FY2010; and \$20 million for IDEA Part B & IDEA Part B Preschool funds in FY2010.

Your Committee on Conference respectfully disagrees with the Governor's initial plan regarding the timing of the use of a large portion of federal stimulus funds intended for education stabilization. In the interest of protecting the school system from much of the impact of the budget shortfall, your Committee on Conference has provided \$56.6 million in stimulus dollars for education each year of the biennium. These funds will be distributed between public schools and charter schools, based on the latest enrollment projection available to your Committee on Conference. By contrast, the Governor proposed to immediately use \$90 million of the \$113 million in the federal stimulus funds intended to go to lower education in an effort to balance the state budget in the current fiscal year.

The receipt of federal stimulus funds has provided your Committee on Conference with an opportunity to make adjustments to the charter schools' FY2010 and FY2011 budget allocations to accurately reflect the amounts prescribed by section 302B-12, Hawaii Revised Statutes. Charter schools will be able to make the \$5.3 million corrective reduction of general funds without substantial impact to delivery of services because the charter schools' budget will be largely offset by the addition of funds for collective bargaining and \$2.8 million in federal stabilization funds. The net reduction to the charter school budget will be less than \$1 million, which represents a year-to-year reduction of less than two per cent.

Your Committee on Conference has struggled this session to make informed and equitable decisions regarding charter school funding because of the limited information charter schools made available. Charter schools currently enjoy an extremely flexible operating environment, which was provided to enhance program creativity and resourcefulness with the goal of creating better outcomes for students. However, as a publicly-funded entity, charter schools must provide transparency and ensure that public funds are properly used. Your Committee on Conference requests that charter schools provide a budget that reflects all fiscal resources anticipated to be available to the charter schools for the next year; report on the consistency of procurement practices with the guidelines in Chapter 302B, Hawaii Revised Statutes; and account for all exemptions to normal employee compensation levels. Your Committee on Conference also requests that all charter schools work with the Charter Schools Administrative Office annually to provide the Legislature full and accurate financial information to enhance future decision making processes.

Your Committee on Conference made no further reductions to the budget of the Hawaii State Public Library System. Use of the library system has increased during the current recession and the library system would not be able to withstand additional cuts without decreasing security and closing branches.

Additionally, your Committee on Conference is transferring the fixed costs for debt service, health premiums, and retirement benefits from the Department of Education's budget to the Department of Budget and Finance and is transferring risk management costs to the Department of Accounting and General Services. The budgeting of these items within the Department of Education has no notable benefit and creates unneeded paperwork and confusion regarding the proportionate level of funding provided the Department.

#### Higher Education

The University of Hawaii system is the State's only public institution for higher learning and plays a critical role in building a strong foundation for Hawaii's future. While budget reductions for most state agencies are unavoidable, the University is fortunate to have significant non-general fund revenues and access to federal stimulus funds.

Your Committee on Conference accepted the twenty per cent discretionary target reduction scenario approved by the Board of Regents, which amounts to an additional reduction of \$17.1 million in general funds each fiscal year. Your Committee on Conference further reduced \$15.4 million each fiscal year, which will be offset by an anticipated \$25 million increase per year in tuition and fees revenue based on built-in annual tuition increases. The addition of ARRA education stabilization funds will also reduce the impact of these adjustments.

The University system is now experiencing record-high enrollment as people seek additional training to increase their job prospects. The greatest increase in enrollment is at the community college level, where enrollment has increased by 9.4 per cent. As such, your Committee on Conference sought to maintain support for the community colleges by providing enough ARRA education stabilization funds to offset nearly all of the \$8 million in general funds reduced from their budget. In total, the University of Hawaii will receive \$54 million in ARRA education stabilization funds over the course of the biennium.

#### Public Safety

Your Committee on Conference notes that Hawaii continues to struggle with the persistent growth of the inmate population. The traditional solution to prison overcrowding is to build additional facilities or expand existing ones. Since it is unlikely that any new facilities will be built in the near future, your Committee on Conference recognizes the need for interim measures.

The current administration's primary strategy for reducing overcrowding has been to transfer inmates out of the State. However, with a total of 2,298 inmates housed in out-of-state correctional facilities and the escalating costs associated with those inmates, your Committee on Conference finds it necessary to support programs that help reduce the number of inmates in Hawaii's corrections system. Your Committee on Conference provided \$309,516 for FY2010 and \$540,733 for FY2011 to establish a pilot program on Oahu that electronically monitors committed persons who are permitted to live and work in the community in lieu of continued incarceration.

Prior delays in transferring Hawaii inmates to out-of-state facilities have resulted in the accumulation of \$7.7 million that is in excess of the Department of Public Safety's need for contracted bed space. Your Committee on Conference has identified this amount as a one-time general fund savings in FY2010 that can be reduced with no impact to the Department's operations.

Your Committee on Conference reviewed operations of the Sheriff Division and made two significant adjustments. First, your Committee on Conference reduced five vacant positions and funds for the Airport Unit to bring the position count to the number required under the memorandum of understanding with the Department of Transportation Airports Division. Second, four general funded positions were reduced and resources reallocated to establish three additional warrant teams.

Your Committee on Conference continues to be concerned by excessive overtime expenditures and the reported abuse of sick leave benefits by Department of Public Safety employees. General funded overtime expenditures for FY2008 totaled \$9.8 million for the department, which is 31.7 per cent above the budgeted amount of \$7.5 million. Your Committee on Conference reduced funds for overtime by twenty per cent of FY2008 actual expenditures or \$2 million in general funds. Your Committee on Conference established a protocol fund that will be used to encourage employees to reduce sick leave abuse and, subsequently, the need for overtime.

#### Land and Natural Resources

Your Committee on Conference believes that protecting Hawaii's natural resources and preserving its unique endemic species should remain priorities, even in difficult financial times. Hawaii's resources are constantly being threatened by alien plant and animal pests and by public overuse. To prevent further degradation of these resources, your Committee on Conference has restored \$500,000 for invasive species support that was reduced in the Governor's budget. To protect the State's aquatic resources, your Committee on Conference has restored \$47,500 for coastal stock enhancement, \$45,620 for marine monitoring, \$379,480 for regional stream studies, and \$90,000 for Anuenue Fisheries Research Center.

The Department of Land and Natural Resources identified public safety and park operations as its top priorities and, accordingly, your Committee on Conference has restored, through the use of special funds, funding for lifeguard services at Kaena Point State Park and Keawaula Beach that were reduced in the Governor's proposed budget.

#### Agriculture

Your Committee on Conference recognizes the importance of agriculture to Hawaii's economy, both as an exportable commodity and as a means to allow the State to become less dependent on imported food products. As such, your Committee on Conference has taken steps to ensure that the Department of Agriculture continues to conserve, develop, and utilize the agricultural resources of the State. Your Committee on Conference has given high priority to preventing the introduction and establishment of pests in the State.

Act 9, Special Session Laws of Hawaii 2007, established a user fee for the inspection of sea and air containers bound for Hawaii that may be carrying pests. Your Committee on Conference has provided \$6 million in special funds to conduct harbor inspection programs and early detection and rapid response activities for invasive species. These funds will allow the Department to retain almost all plant quarantine inspector positions proposed for reduction by the Governor. In an effort to streamline the Department's operations, your Committee on Conference has eliminated the detector dog program, which has proven to be of limited value.

#### Business, Economic Development, and Tourism

Your Committee on Conference realizes the importance of Hawaii's existing businesses as drivers of Hawaii's economy. Your Committee on Conference has found that the Department of Business, Economic Development, and Tourism has lost sight of its core functions and is unable to effectively manage and carry out the Department's mission. With that in mind, your Committee on Conference created general fund savings, efficiencies, and transparency by transferring programs within the Department to more appropriate departments that share common missions and objectives. This will allow the Department of Business, Economic Development, and Tourism to focus on its core functions and responsibilities.

Your Committee has made the following transfers of Department of Business, Economic Development, and Tourism programs:

- The Small Business Regulatory Review Board to the Department of Commerce and Consumer Affairs;
- Natural Energy Laboratory of Hawaii Authority to the Department of Accounting and General Services;
- Creative Industries Arts and Culture Branch to the State Foundation on Culture and Arts; and

- Film Industry Branch to the Hawaii Tourism Authority. The Authority's expertise in marketing and existing relationships will allow the Film Industry Branch to flourish and become more of an economic driver and marketing tool for the State.

Your Committee understands that the modernization of our state harbors needs to be a priority. The Aloha Tower Development Corporation remains entangled in litigation and has not completed any projects related to the Harbors Modernization Plan. Your Committee on Conference finds that the Aloha Tower Development Corporation is unable to effectively lead the Harbors Modernization Plan and carry out the functions for which it was created; consequently your Committee restored the responsibility of improving harbors to the Department of Transportation, Harbors Division in fiscal year 2011.

Hawaii currently relies on imported oil for over ninety-three per cent of its energy needs. Over the years, the Legislature has provided substantial resources for the Clean Energy Initiative, under the guidance of the Department of Business, Economic Development, and Tourism, for the purpose of promoting energy independence for the State. With funding from the ARRA, the Department of Business, Economic Development, and Tourism will have the opportunity to help the State to become more energy independent. Your Committee on Conference created a general fund savings while retaining existing staff and creating new positions with the use of \$6.2 million in existing federal funds and \$30 million in new federal stimulus money. This will allow the Department to focus on creating clear objectives using specific performance measures and goals.

#### Labor and Industrial Relations

Your Committee on Conference has appropriated the following federal stimulus dollars to the United States Department of Labor programs: \$150.5 billion in additional funds for increased unemployment insurance payments to individuals in FY2010; \$5.3 million to provide services, jobs, education, and job training to low-income individuals; \$4 million to provide weatherization assistance for the installation of energy saving devices in low-income households; \$1.4 million to provide reemployment services for the unemployed in FY2010; and \$6.4 million to provide employment and training services to adults, dislocated workers, youth and older individuals in FY2010 while reducing minimal amounts above the twenty per cent reductions taken by the Department for the Governor's budget reductions.

#### Transportation

Your Committee on Conference has become increasingly concerned with the Department of Transportation's deficit spending of its special funds. Accordingly, your Committee on Conference reduced spending through a \$5 million prorated reduction across all programs within the Harbors Division and a \$10 million prorated reduction across all programs within the Highways Division. These reductions will allow the divisions' expenditures to better align with existing and future revenue projections.

Your Committee on Conference is also concerned with certain aspects of the Airports Division. Thus, your Committee on Conference requests that the State Auditor perform a financial audit of the Department of Transportation regarding its accounting procedures, procurement practices, controls over lease renewals and renegotiations, ability to monitor and collect outstanding receivables, and means of accurately charging fees. Your Committee on Conference is also requesting that a list of all fines from the Transportation Security Administration and other federal agencies be included in the audit.

#### Budget and Finance

Your Committee on Conference provides for the consolidation in the Department of Budget and Finance of fixed costs for debt service, pension accumulation, social security/Medicare, and health premium costs chargeable to the University of Hawaii and the Department of Education. This consolidation is achieved by cost accounting in new program areas. Every effort has been made to prevent the transfers of fixed costs from the University of Hawaii and the Department of Education from prejudicing the maintenance of effort calculations of appropriation levels made to satisfy the State Fiscal Stabilization Fund provisions of the ARRA legislation.

Your Committee on Conference recognizes the plight of the Bishop Museum in maintaining historic sites and artifacts. To allow the continuation of these efforts, your Committee restored a subsidy of \$418,000 to the Museum.

Your Committee on Conference finds that there are no vacant state facilities to accommodate a Public Utilities Commission move and reorganization at this time. Consequently, your Committee on Conference does not appropriate funds for any move of the Public Utilities Commission at this time.

#### Accounting and General Services

Your Committee on Conference transferred \$9.2 million earmarked for the State's insurance premiums from the University of Hawaii and the Department of Education to the Department of Accounting and General Services to reduce unnecessary delays. To generate general fund savings, your Committee on Conference changed the means of financing for \$3.5 million of insurance premiums from general funds to state risk management revolving funds.

Your Committee on Conference understands the State's fundamental obligation to conduct state and federal elections and recognizes the need for an effective voting system. For the Office of Elections, your Committee reduced general funds by \$184,020 for vacancy savings and other personal and current expenses and provided an additional \$1.5 million for the voting system contract and purchase of voting equipment for FY2010, a non-election year. Funding for FY2011 remains unchanged from the Governor's proposed budget.

#### Attorney General

Your Committee on Conference recognizes the importance of the Department of the Attorney General in its role as legal counsel for the State of Hawaii. Your Committee on Conference made an effort to reduce the Department's budget in areas that would have limited impact on services to State agencies and the general public. With this goal in mind, your Committee on Conference restored funds to the Child Support Enforcement Agency.

Your Committee on Conference provided the Department with \$6 million in federal funds over the biennium for the Crime Assistance Grant, Byrne Memorial Justice Assistance Grant, Violence Against Women Grant, and the Internet Crimes Against

Children Grant. Your Committee on Conference provided an additional \$4.5 million in federal stimulus funds over the biennium for the Child Support Enforcement Agency.

#### CAPITAL IMPROVEMENT PROGRAM

Mindful of the current economic conditions, your Committee on Conference has sought to compose a fiscally responsible budget that will also spur economic growth throughout the State. Through the continued investment in necessary infrastructure and other capital needs, we believe this budget will in turn provide badly needed job growth for our unemployed and underemployed residents. This philosophy also underscores the federal government's efforts to stimulate the economy through increased spending in the most expedient manner possible. However, your Committee on Conference believes that since it is unclear whether the bond market can withhold an increased bond issuance plan for state projects, general obligation bond- and general obligation reimbursable bond-funded projects must be carefully selected so as to effectively maximize the use of these funds. As a result, your Committee on Conference has endeavored to decrease the proposed debt service level, while also funding critical capital improvement projects that address health, safety, and code requirements; current repair and maintenance backlogs in various state executive departments; and the need to provide for growth and expansion of services, programs, and facilities.

Additionally, your Committee on Conference has provided increased funding in the first year of the biennium, FY2009-2010, to ensure funds are immediately available to state departments and agencies to be used for shovel-ready projects and to provide increased flexibility in ensuring the completion of ongoing projects. In conjunction with this effort, it is believed that front-loading funding will allow your Committee on Conference to properly monitor and assess future economic conditions and their impact on our State's ability to undertake such projects, before appropriating funds in the following fiscal year.

This year, the Administration requested a total of \$955,155,000 in general obligation and general obligation reimbursable bond-funded projects and \$2,952,862,000 for projects financed with all means of financing. Given such unique economic conditions, your Committee on Conference has attempted to address debt service obligations by reducing the amount of general obligation and general obligation reimbursable bonds appropriated, funding a total of \$864,009,000 over the biennium. In all means of financing, we have approved \$3,539,891,000 over the biennium. While this is an increase from what was requested in the Administration's budget, your Committee on Conference has dedicated much of these funds to crucial projects, where a large portion has been provided to certain departments allowing them the flexibility to seek alternative financing options, which may in turn reduce debt service obligations in the future.

Despite challenging economic times, your Committee on Conference has remained dedicated to our State's education system. We have sought to fund those projects that are necessary for health, safety, and compliance measures, as well as those most needed to address the repair and maintenance backlog. In addition, we have approved funding for large construction projects to ensure the future growth and prosperity of our schools. For the Department of Education, your Committee has appropriated a total of \$304,797,000 for various school projects, \$170,500,000 of which is dedicated to reducing the repair and maintenance backlog as well as Whole School Renovation programs.

Likewise, we have appropriated a total of \$203,772,000 in general obligation bond funded projects for the University of Hawaii System, including \$143,125,000 to address repair and maintenance, as well as health and safety needs. In total, we have funded \$565,956,000 for projects financed with all means of financing, including \$28,132,000 in revenue bonds and \$12,660,000 in general obligation bonds for a long overdue Information Technology Center to serve not only the entire University system, but potentially the State as well.

In addition to education, your Committee on Conference has also attempted to address the recent mortgage crisis and need for affordable housing. We have therefore provided \$30,000,000 for the Rental Housing Trust Fund and \$20,000,000 for the Dwelling Unit Revolving Fund. Your Committee on Conference has also made further efforts to improve the conditions of our affordable and public housing facilities and have approved \$12,413,000 for the Hawaii Public Housing Authority to help address their repair and maintenance backlog as well as Americans with Disabilities Act compliance needs.

During these desperate economic times, funding is needed most in the area of healthcare. Thus, your Committee on Conference has provided \$95,493,000 in all means of financing for health care facilities statewide. Of this total, nearly \$47,422,000 has been provided to the Hawaii Health Systems Corporation to assist in their efforts to improve our community hospitals and provide adequate health care to our entire state population.

#### CONCLUSION

Your Committee on Conference recognizes that sacrifices must be made by all in order to balance the state budget during this unprecedented economic downturn. Most importantly, your Committee on Conference has collaborated to create a budget that will allow the State to live within its means, while using its resources wisely in order to ensure Hawaii's ability to be a strong contender in the global community with regard to education, health care, renewable energy, business, tourism, natural resources, and overall quality of life.

Your Committee on Conference was able to balance the budget without the use of furloughs, and your Committee on Conference notes that it remains the responsibility of the Governor and the public worker unions to negotiate potential savings through decreasing the salaries or benefits of state employees. With the revenue picture at -6.3 per cent, your Committee on Conference is cautious as we look ahead. However, visitor arrivals to the State have begun to stabilize, and as we brave the rough waters of the current economic downturn, your Committee on Conference is optimistic that, through fiscal prudence and increased efficiency, the State will be able to continue serving its residents and visitors in a responsible manner.

In total, this budget amounts to \$5,144,178,085 in general funds and \$10,803,950,330 in all means of financing for FY2010 and \$5,267,648,691 in general funds and \$10,467,329,973 in all means of financing for FY2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 200, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Chun Oakland, English, Fukunaga, Galuteria, Hee, Hooser, Kidani, Kokubun, Tokuda, Tsutsui, Hemmings.  
Managers on the part of the Senate.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

Representatives M. Oshiro, Aquino, Awana, Brower, Choy, Coffman, Har, Keith-Agaran, C. Lee, M. Lee, Nishimoto, Sagum, Tokioka, Wooley, Yamashita, Marumoto.  
Managers on the part of the House.  
Ayes, 16. Ayes with Reservations, 1 (Marumoto). Noes, none. Excused, none.

**Conf. Com. Rep. 168 on S.B. No. 21**

The purpose of this measure is to provide, among other things, temporary exemptions from statutes relating to procurement, rulemaking, and employment in order to allow the State to expedite the implementation or expansion of programs, services, and benefits authorized by the American Recovery and Reinvestment Act of 2009 (ARRA).

The American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, envisioned by President Obama as money going “out the door immediately,” will require expedited procedures to allow the State to take full advantage of funding from the federal stimulus plan to expeditiously address the programs, services, and benefits needed by the people of Hawaii. With regards to construction moneys, a recent article in the *Pacific Business News* of April 24, 2009, entitled “Hawaii stimulus money hits the roads,” featured the importance of expediting the processing of “shovel ready” projects in getting jobs out to bid, evaluation, and award.

Your Committee on Conference finds that in these times of economic turmoil, this measure would be instrumental in bringing, as soon as possible, additional financial assistance and other social services to Hawaii residents who have been affected by the current economic circumstances as well as improving and expanding benefits to the neediest individuals and families in Hawaii.

The intent of your Committee on Conference is to ensure a fair, equitable, and transparent process of awarding contracts that facilitates expediency, economy, openness, and compliance with laws and rules. This measure is necessary because of the limited time frame in which the federal government has imposed on states to expend federal moneys in order to stimulate the economy in the shortest possible time.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section to include reference to accountability and transparency to prevent fraud, waste, abuse, and to ensure the use of competitive procedures;
- (2) Exempting an offeror who has been awarded a contract from section 103-53(a), Hawaii Revised Statutes, relating to tax clearances as a prerequisite to entering into the contract;
- (3) Amending section 3, relating to the process of procurement by including more specific bidding, qualification, selection, and protest procedures to ensure fairness in the award of ARRA funds;
- (4) Requiring the State Procurement Office to adopt interim rules, effective through December 31, 2010, to implement this Act;
- (5) Deleting reference to the expenditure ceiling placed on the use of temporary assistance to needy families program funds in the Supplemental Appropriations Act of 2009, and substituting an appropriation of \$15,000,000 out of the federal temporary assistance for needy families funds provided to the State under the American Recovery and Reinvestment Act of 2009 for fiscal year 2008-2009 to be used for the temporary assistance for needy families program; provided that these moneys are in addition to temporary assistance for needy family funds in the General Appropriations Act of 2009, and any other appropriations of temporary assistance for needy families funds for fiscal year 2008-2009; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 21, 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. 21, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Takamine, Kim, Kokubun, Hemmings.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Hemmings).

Representatives Tokioka, M. Oshiro, Choy, Keith-Agaran, B. Oshiro, Ward.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 169 on S.B. No. 1678**

The purpose of this measure is to improve the State’s ability to capture taxes owed by out-of-state businesses by specifying the business activities that would constitute a sufficient connection with Hawaii to enable the State to impose a general excise tax on these activities.

Specifically, this measure clarifies the definition of “engaging” in business under the general excise tax law by:

- (1) Including the sale of tangible personal property by a person soliciting business, through an independent contractor, with a resident in Hawaii who is paid to refer potential customers to the person;



- (2) Exempting sales so solicited if the cumulative gross receipts for a twelve-month period are less than \$10,000; and
- (3) Allowing a rebuttal of the presumption of engaging in business through such solicitation if the independent contractor did not engage in any solicitation in Hawaii on behalf of the person that would satisfy the nexus requirement of the United States Constitution.

Upon further consideration, your Committee on Conference finds that Act 173, Session Laws of Hawaii 2003, the Hawaii Simplified Sales and Use Tax Administration Act allowed the State to become a participating member of the National Streamlined Sales Tax Project. The Project was intended to prepare member states to participate in the Streamlined Sales and Use Tax Agreement (Agreement). Participation in the Agreement would allow the State to level the playing field with respect to assisting local businesses to better compete with mail order and internet sellers who may not necessarily be paying their fair share of state taxes. Your Committee finds that participation in the Agreement is of particular importance at this time, as it would assist the State in the collection of additional revenue to address a projected budgetary shortfall and reduced projected tax collections.

Your Committee on Conference also finds that as a final step to the State's participation in the Agreement, necessary legislation to conform certain state tax laws to the requirements of the Streamlined Sales and Use Tax Agreement is required.

Accordingly, your Committee on Conference has amended this measure by deleting sections 1 through 4 and inserting provisions that would enable the State to participate in the Streamlined Sales and Use Tax Agreement. As amended, this measure, among other things:

- (1) Moves the one-half of one per cent tax rate for wholesale transactions to a new chapter;
- (2) Adds a new chapter on the taxation of imports of property, services, and contracting;
- (3) Moves the 0.15 per cent tax on insurance producers to a new chapter;
- (4) Eliminates the tax on businesses owned by disabled persons;
- (5) Provides destination-based sourcing and amnesty;
- (6) Requires that all tax revenues generated by this measure are to be deposited into the state treasury rather than being directed towards specific purposes;
- (7) Deletes the Department of Taxation's exemption from chapter 103D, Hawaii Revised Statutes, when securing outside services to support this measure; and
- (8) Makes technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1678, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1678, S.D. 3, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Fukunaga, Tsutsui, Ige.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Ige).

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

#### **Conf. Com. Rep. 170 on S.B. No. 585**

The purpose of this measure is to expand the ability of individuals in remote areas of the State to gain access to prescription medications through the use of remote dispensing pharmacies.

Your Committee on Conference finds that this measure will allow individuals in remote areas to gain access to their prescription medications in their own communities. Through the use of advanced telecommunications technology, pharmacists are able to dispense medications to patients at a distance, saving patients both time and money for travel expenses. Your Committee finds that this measure will help expand access to quality health care to primarily rural and medically underserved areas, while providing appropriate safeguards for the dispensing of controlled substances.

Your Committee on Conference has amended this measure by;

- (1) Extending the repeal date of Act 212, Session Laws of Hawaii 2008, by one year to January 2, 2014;
- (2) Changing the effective date of the measure to "upon its approval"; and
- (3) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 585, 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. 585, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Green, Hemmings.  
Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).

Representatives Yamane, Herkes, Nishimoto, Wakai, Marumoto.  
Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Herkes, Wakai).

**Conf. Com. Rep. 171 on S.B. No. 884**

The purpose of this bill as received is to:

- (1) Specify the amounts of moneys determined to be in excess of the requirements of various non-general funds;
- (2) Authorize the Director of Finance to transfer on either June 1, 2009, or June 20, 2009, the excess moneys from the various non-general funds to the general fund for fiscal year 2008-2009;
- (3) Repeal the exemptions for various special funds from their pro rata shares of central service expenses and administrative overhead expenses;
- (4) Require the Director of Finance, from July 1, 2009 to June 30, 2015, and the Chief Justice, from July 1, 2009 to June 30, 2011, to transfer to the general fund the interest earned on short-term investments of moneys in various non-general funds; and
- (5) Redistribute temporarily the conveyance tax revenues.

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

- (1) Clarifying and updating facts in the purpose section of the bill;
- (2) Revising the amounts of moneys determined to be in excess of the requirements of several non-general funds;
- (3) Deleting several non-general funds from having excess moneys transferred to the general fund;
- (4) Adding other non-general funds and specifying the amounts of their excess moneys subject to transfer to the general fund;
- (5) Setting June 1, 2009, as the uniform date for the transfer to the general fund of excess moneys from the non-general funds;
- (6) Restoring the exemptions for several special funds from their pro rata shares of central service expenses and administrative overhead expenses;
- (7) Deleting extraneous sections from part II of the bill that do not directly relate to the exemption of certain special funds from assessments for central service and administrative overhead expenses;
- (8) Authorizing rather than requiring the Director of Finance and the Chief Justice to make the transfers to the general fund of interest earned on short-term investments of moneys in various non-general funds;
- (9) Extending the termination date of the period during which the Chief Justice is authorized to make transfers to the general fund of interest earned on short-term investments of moneys in non-general funds from June 30, 2011 to June 30, 2015;
- (10) Modifying the list of non-general funds, under the jurisdiction of Director of Finance, for which interest earned on short-term investments of moneys is subject to transfer to the general fund, through the deletion of several funds and the addition of others;
- (11) Deleting the sections of the bill that deal with the temporary redistribution of the conveyance tax revenues; and
- (12) Changing the effective date of part I of the bill from June 29, 2009 to June 1, 2009.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 884, 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. 884, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Baker, Kim, Kokubun, Hemmings.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kokubun, Hemmings).

Representatives M. Oshiro, Chong, Choy, M. Lee, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 172 (Majority) on S.B. No. 1350**

The purpose of this measure is to:

- (1) Increase reserved housing requirements for the development of large lots of three acres or greater in area within the Kakaako mauka area from twenty per cent to twenty-five per cent of the countable floor area provided in the development;
- (2) Allow smaller developments of less than three acres to continue meeting the existing requirement that reserved housing units comprise twenty per cent of the dwelling units developed; and
- (3) Provide safeguards to prevent a rush to development by developers trying to avoid these new requirements.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions related to increases in reserved housing requirements on lots of three acres or greater;
- (2) Establishing reserved housing requirements, based on a sliding scale of square footage for residential and commercial development, with provisions for a transit oriented development density bonus for residential development, and further increases;
- (3) Providing flexibility options for properties of 80,000 square feet or more to allow a developer to offset the reserved housing requirements through offsite development;
- (4) Clarifying that the for-sale reserved housing units shall remain reserved housing units for a period of ten years from the date of the original sale of the reserved housing unit;
- (5) Deleting provisions related to cash payments in lieu of developing reserved housing and the sale of credits to another developer;
- (6) Adding "industrial use" to the definition of "countable floor area", provided that the term "industrial use" shall be defined by rule;
- (7) Adding, in the district development guidance policies, the requirement that residential development shall provide parking stalls consistent with county requirements;
- (8) Replacing, in the sections related to the adoption of rules, all references to three acres with twenty thousand square feet;
- (9) Changing the date that the Hawaii Community Development Authority is required to report to the Legislature from 2017 to 2014;
- (10) Making the Act applicable to the unbuilt portion of a major development that was pending of the effective date of the Act, and clarifying that the developer shall have five years from the effective date of the Act to obtain all necessary permits, complete any required grading and infrastructure improvements for the major development, and commence construction of the unbuilt portion of the major development before the Act shall apply;
- (11) Amending the findings and purpose section to reflect the above changes;
- (12) Making the effective date upon its approval; and
- (13) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1350, 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. 1350, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Sakamoto, Hee, Taniguchi, Tsutsui, Kokubun, Takamine, Hemmings.

Managers on the part of the Senate.

Ayes, 4. Noes, 1 (Tsutsui). Excused, 2 (Hee, Hemmings).

Representatives Ito, Cabanilla, Chong, Har, Ching.

Managers on the part of the House.

Ayes, 5. Ayes with Reservations, 1 (Ching). Noes, none. Excused, none.

**Conf. Com. Rep. 173 on S.B. No. 1673**

The purpose of this measure is to ensure the strength of the State's health care safety net by addressing critical economic shortfalls currently faced by the Hawaii Health Systems Corporation (HHSC) by:

- (1) Temporarily transferring the management, operation, and maintenance of the community hospital system from HHSC to the Department of Health (DOH) from July 1, 2009 to June 30, 2012 by establishing a community hospital system within the DOH comprising all community hospitals of the state government;
- (2) Transferring to DOH on July 2, 2010, all certificates, licenses, permits, and other approvals required by state law for the community hospitals that are held on June 30, 2010, by HHSC or any of its regional systems or facilities;
- (3) Requiring, after June 30, 2009, the Director of Health to apply for the transfer, issuance, or renewal of all certificates, licenses, permits, and other approvals required by federal law for the operation of the community hospitals by DOH and eligibility of the community hospitals for Medicare and Medicaid funds;
- (4) Establishing a community hospitals transition committee to conduct a study of a permanent structure for the community hospital system and submit its findings and recommendations to the Legislature;
- (5) Establishing a transition committee to study and recommend a permanent structure for the community hospital system; and
- (6) Establishing a special fund to be known as the community hospital system special fund.

Your Committee finds that the HHSC is the fourth largest public hospital system in the nation and operates public health care facilities that provide essential safety-net hospital and long-term care services throughout the State. Your Committee further finds that the continued financial challenges faced by the HHSC and the State pose a risk to the public health care services provided by the HHSC. In addition, these factors hinder efforts to improve the quality of health care services provided to the public.

Your Committee finds that allowing the regional systems of the HHSC and their facilities to transition into a corporation or corporations and providing State support during the transition will improve the operations and efficiencies of the HHSC and benefit the health care of the people of Hawaii.

Your Committee further finds that it is essential that this transition be an option available to the various regional systems and facilities and that the transition be carefully evaluated by the community representatives that comprise the HHSC board.

Your Committee has amended this measure by substituting an amended version of the Senate Draft No. 2 of this measure, which amended statutes regarding the Hawaii Health Systems Corporation and regional boards by:

- (1) Allowing regional systems more autonomy;
- (2) Authorizing the transition of the regional systems into a corporation or corporations to provide central support services to the regional systems and facilities seeking to remain a part of the state agency;
- (3) Allowing the corporation to conduct criminal history record checks; and
- (4) Requiring commercial health plans to provide a minimum reimbursement level of the cost for all services provided to plan beneficiaries by critical access hospitals and federally qualified health centers.

This current iteration of this measure, as amended:

- (1) Deletes provisions relating to cost-based payments to critical access hospitals and federally qualified health centers;
- (2) Modifies part 5 by utilizing the language provided in H.B. No. 1137 providing for criminal history background checks;
- (3) Adds internal audit language for additional accountability;
- (4) Provides that real property of the HHSC shall not be sold, but may be leased, and that other assets shall be eligible for sale, transfer, or lease for the purposes of providing health care services;
- (5) Limits the current exemption from Chapter 37D (financing agreements), Hawaii Revised Statutes, in order to allow HHSC to execute such agreements if they are \$5,000,000 or less per agreement and less than \$25,000,000 in the aggregate in any fiscal year;
- (6) Reconstitutes the corporate board of the HHSC by:
  - (A) Providing for twelve, rather than fifteen, members;
  - (B) Providing for greater regional representation in the HHSC by including regional CEOs as voting members of the corporation and including two members from the County of Maui, two members from the County of Hawaii, one member from the island of Oahu, and one member from the island of Kauai; and
  - (C) Requiring the corporate board, in consultation with the regional boards, to effectuate the board's membership reduction by July 1, 2010, while ensuring appropriate regional representation;
- (7) Changes the effective date to July 1, 2009; and
- (8) Makes technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1673, 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. 1673, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Tsutsui, Takamine, Baker, Green, Kokubun.

Managers on the part of the Senate.

Ayes, 6. Noes, none. Excused, none.

Representatives Yamane, M. Oshiro, Coffman, Keith-Agaran, Nishimoto, Sagum, Tsuji, Yamashita.

Managers on the part of the House.

Ayes, 8. Noes, none. Excused, none.

**Conf. Com. Rep. 174 on H.B. No. 36**

The purpose of this bill is to clarify the rational link between the benefits sought and charges made on the users and beneficiaries of the Environmental Health Education Fund by:

- (1) Changing the name of the Environmental Health Education Fund to the Environmental Health Special Fund;
- (2) Allowing the use of fund moneys for sanitation program activities, including permitting, inspections, other monitoring, and enforcement; and
- (3) Deleting requirements that inspectors of food establishments be registered.

Your Committee on Conference has amended this bill by:

- (1) Changing the name of the Environmental Health Education Fund to the Sanitation and Environmental Health Special Fund (Special Fund);
- (2) Maintaining requirements in statute that inspectors of food establishments be registered;

- (3) Deleting requirements that moneys deposited in the Special Fund be used to conduct program activities including permitting, investigations, other monitoring, and enforcement;
- (4) Requiring that moneys in the Special Fund in excess of \$2,445,000 on June 30 of each year shall be deposited into the general fund;
- (5) Changing the effective date to July 1, 2009; and
- (6) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 36, 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. 36, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Green.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Morita, Nishimoto, Coffman, Finnegan.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 175 on H.B. No. 690**

The purpose of this bill is to ensure health insurance coverage by:

- (1) Requiring insurers to offer continuation of health insurance coverage to employees who lose coverage due to termination or reduction of employment hours;
- (2) Requiring insurers that offer health care coverage to the regular employees of any group or association to offer the same coverage to part-time employees working at least 15 hours per week; and
- (3) Providing that the Insurance Commissioner report to the Legislature on the cost-benefit of such an action prior to the convening of the Regular Session of 2011.

Your Committee on Conference has amended this bill by:

- (1) Deleting provisions requiring insurers to offer continuation of health insurance coverage to employees who lose coverage due to termination or reduction of employment hours;
- (2) Deleting provisions requiring fraternal benefit societies in this state to offer the same coverage to part-time employees working at least 15 hours per week as the coverage offered to full-time employees;
- (3) Changing the effective date to July 1, 2009;
- (4) Extending the sunset date by three years, from July 1, 2011, to July 1, 2014; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 690, 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. 690, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Takamine, Baker.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, none.

Representatives Yamane, Herkes, Nishimoto, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Ayes with Reservations, 1 (Finnegan). Noes, none. Excused, none.

**Conf. Com. Rep. 176 on H.B. No. 1464**

The purpose of this bill is to add to or clarify a number of statutory provisions to encourage energy efficiency and the development of renewable energy resources.

This bill, among other things:

- (1) As of July 1, 2009, prohibits an electricity-generating public utility from adding a new, or increasing the capacity of an existing, covered source with a capacity of two megawatts or more using fossil fuel sources;
- (2) As of January 1, 2015, prohibits:
  - (A) The inclusion of electrical energy savings in determining conformance with renewable energy portfolio standards requirements; and
  - (B) Customer-sited grid-connected photovoltaic systems to qualify as electrical energy saving;

- (3) Accelerates and extends the renewable electrical energy portfolio standard by an additional five percentage points by December 31, 2020, to twenty-five per cent from twenty per cent, and increases the standard to forty per cent by December 31, 2030;
- (4) Expands the duties of the Energy Resources Coordinator (Coordinator) to include:
  - (A) Identifying geographic areas containing renewable energy resources and designating these areas as renewable energy zones;
  - (B) Developing incentive programs to encourage the development of renewable energy resource projects within the renewable energy zones; and
  - (C) Assisting public and private entities in identifying and developing through the use of special purpose revenue bonds, utility transmission projects to accommodate the development of renewable energy resources;
- (5) Expands the definition of a "qualified business" in a state enterprise zone to one that is engaged in the development and production of fuels and thermal or electrical energy using a number of renewable energy resources;
- (6) Clarifies that the duties of the Renewable Energy Facilitator in assisting the efficient permitting of renewable energy projects extends to the land on which the project is situated and any structures or equipment, including transmission facilities, required by the project;
- (7) Amends the definition of "renewable energy facility" as it relates to the renewable energy facility siting process law, to authorize the Coordinator to designate, as renewable energy facilities, biofuel production facilities and renewable energy facilities with smaller energy production capacities, for purposes of streamlined permit processing for new facilities;
- (8) Directs the Public Utilities Commission (PUC) to establish energy efficiency portfolio standards to maximize cost-effective energy efficiency programs and technologies to achieve a reduction of four thousand three hundred gigawatt hours of electricity use reductions statewide by 2030;
- (9) Replaces the Coordinator with the Public Benefits Fee Administrator (Administrator) as the authority to issue variances from the requirement that single-family dwelling include solar water heating systems, and requires the Administrator to:
  - (A) Conduct post-installation inspections of installed water heating technology; and
  - (B) Make public all applications and the dispositions of all applications for variances from the solar water heating system requirement;
- (10) Revises the Renewable Energy Technology System Tax Credit and:
  - (A) Disallows the tax credit on the installation of a solar water heating system that is required, pursuant to section 196-6.5, Hawaii Revised Statutes, on new single-family dwellings on or after January 1, 2010; and
  - (B) Limits the tax credit to eligible renewable energy technology systems installed on or after July 1, 2009;
- (11) Extends the deadline for PUC to adopt standards for solar water heating systems from July 1, 2009, to January 1, 2010, and permits the Commission to contract with the public benefits fee administrator for the development of the standards to be adopted by the Commission.

Your Committee on Conference finds that the provisions in this bill will significantly align Hawaii's energy policy laws with its energy goals. To transform the state's energy system, changes must encompass Hawaii's policy and regulatory framework, system-level technology development and integration, financing or capital investment, and institutional system planning.

Your Committee on Conference has amended this bill by, among other things;

- (1) Adding a purpose section setting forth the detrimental impacts of being reliant on fossil fuel and the benefits that can be derived from accelerating the use and development of energy efficiency and renewable energy technologies;
- (2) Deleting the provisions expanding the definition of state enterprise zone "qualified business" that would have included a business engaged in the development and production of fuels and thermal or electrical energy using renewable energy resources;
- (3) Deleting the prohibition against an electricity-generating public utility from adding a new, or increasing the capacity of an existing, covered source with a capacity of two megawatts or more using fossil fuel sources;
- (4) Clarifying the duties of the Coordinator by, among other things, requiring it to:
  - (A) Make recommendations generally, rather than specifically to the Governor and the Legislature;
  - (B) Additionally, assist public and private agencies in implementing efficiency programs and developing indigenous energy resources; and
  - (C) Develop and maintain a capacity to analyze the status of energy resources, systems, and markets; recommend, develop proposals for, and assess the effectiveness of policies and regulatory decisions; and conduct energy emergence planning;
- (5) With respect to the renewable energy facility siting process:
  - (A) Requiring the permitting agency to provide to the Coordinator its report identifying diligent measures being taken to complete permit processing within 30 days if a completed permit plan application has not been approved or denied within 12 months after approval of the application by the coordinator; and

- (B) Authorizing the Coordinator to deem a permit approved if no further processing and action are reported by the permitting agency within five months following the end of the 30-day agency report period;
- (6) Appropriating out of the Renewable Energy Facility Siting Special Fund, \$1,000,000 for each year of fiscal biennium 2009-2011 for the purposes of the Fund;
- (7) Requiring PUC to evaluate the energy efficiency portfolio standards every five years and revise the standards based on the best information available and report its findings to the Legislature;
- (8) Beginning in 2015, requiring electric energy saving by the use of renewable displacement or off-set technologies, to count towards the energy efficiency portfolio standards;
- (9) By December 31, 2010, requiring state buildings larger than 5,000 square feet or that use more than 8,000 kilo-watts of electricity annually to be benchmarked as a basis for determining the State's investment in improving the efficiency of its building stock;
- (10) Requiring public buildings to be retro-commissioned not less than every five years based on guidelines established by the Coordinator;
- (11) Authorizing departments to enter into energy savings performance contracts with a third party, in accordance with guidelines issues by the Comptroller, to cover the capital costs of energy-efficiency measures and distributed generation, if the contracts conform to the benchmark standard;
- (12) Requiring investments in efficiency for existing public building that undergo a major retrofit or renovation;
- (13) Requiring a residential property owner to make a good faith declaration of electricity cost based on the most recent three months of electric utility bills prior to the date that the seller's disclosure under chapter 508D, Hawaii Revised Statutes, is required to be made;
- (14) Establishing the Building Energy Efficiency Revolving Loan Fund to provide low or no interest loans or financial assistance to eligible public, private, and nonprofit borrowers for making energy efficiency improvements in buildings;
- (15) Clarifies the solar water heater system requirement in new homes by, among other things:
- (A) Reinstating the Coordinator, as opposed to the Public Benefits Fee Administrator, as the authority to issue variances from the requirement that single-family dwelling include solar water heating systems and publicize all applications and the disposition of the applications; and
- (B) Deleting post-installation inspections of installed water heating technology;
- (16) With respect to the Renewable Energy Technology System Tax Credit:
- (A) Disallowing only a portion, rather than 100 percent, of the on the installation of a solar water heating system that is required by section 196-6.5, Hawaii Revised Statutes, on new single-family dwellings on or after January 1, 2010; and
- (B) Deleting the provision that limits the tax credit to eligible renewable energy technology systems installed on or after July 1, 2009;
- (17) Providing the statutory authorization to transfer federal and private funds to the Public Benefits Fee Administrator;
- (18) Clarified the objectives and policies for facility system-energy of the Hawaii State Planning Act by including energy diversification, short- and long-term provision of energy, and the promotion of transportation energy efficiency;
- (19) Changing the effective date of this bill to July 1, 2009; and
- (20) Making technical, nonsubstantive amendments for style, consistency, and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1464, 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. 1464, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, English, Green, Kokubun, Hemmings.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, 1 (Kokubun).

Representatives Morita, Cabanilla, Herkes, Coffman, Belatti, Yamashita, Thielen.

Managers on the part of the House.

Ayes, 7. Noes, none. Excused, none.

**Conf. Com. Rep. 177 on H.B. No. 1260**

The purpose of this bill is to allow the State to address some of the serious financial challenges ahead by reorganizing certain state executive branch departments to reflect the provisions of the General Appropriations Act of 2009. Specifically, this measure:

- (1) Abolishes the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and transfers the functions of four branches of the division to the Research Corporation of the University of Hawaii, and requires the Corporation to establish a self-sufficiency standard and cooperate with the United States Census Bureau;

- (2) Abolishes the Aloha Tower Development Corporation and transfers jurisdiction over and responsibility for the harbors modernization functions of the Aloha Tower Development Corporation to the harbors division of the Department of Transportation, and clarifies that the Department shall be the successor in interest to all assets and debts, liabilities, or other obligations incurred by the Corporation and that the Department is not exempt from the state procurement code with regard to projects concerning the harbors modernization plan;
- (3) Abolishes the Hawaii Occupational Safety and Health law, with the exception of the hoisting machine operators advisory board and the hoisting machine operators' certification revolving fund, effective on October 1, 2010;
- (4) Transfers the position of tourism liaison from the Department of Business, Economic Development, and Tourism to the Office of the Governor;
- (5) Transfers the Small Business Regulatory Review Board, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs;
- (6) Transfers the Land Use Commission, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
- (7) Transfers the High Technology Development Corporation and High Technology Innovation Corporation, with their statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
- (8) Transfers the Office of Planning, with its statutory duties and powers, including jurisdiction over the coastal zone management program, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
- (9) Transfers the Natural Energy Laboratory of Hawaii Authority, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
- (10) Transfers the Measurement Standards Program, with its statutory authority, from the Department of Agriculture to the Department of Commerce and Consumer Affairs;
- (11) Transfers the Arts and Culture Development Branch within the Department of Business, Economic Development, and Tourism to the State Foundation on Culture and the Arts, which is placed within the Department of Accounting and General Services for administrative purposes;
- (12) Transfers the Film Industry Branch within the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority;
- (13) Makes required conforming amendments to the Hawaii Revised Statutes;
- (14) Provides for the transition of various state agencies and programs that are transferred, including the transfer of rights, powers, functions, duties, officers, employees, records, equipment, and rules;
- (15) Clarifies that members of boards or other policy-making or advisory bodies transferred shall continue to serve the member's term without need for reappointment, except for members of the Board of the Aloha Tower Development Corporation and the High Technology Development Corporation; and
- (16) Requires the Legislative Reference Bureau to review this measure to recommend appropriate placement of parts or chapters of the Hawaii Revised Statutes affected.

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

- (1) Removing language that would have:
  - (A) Abolished the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and transferred the functions of four branches of the division to the Research Corporation of the University of Hawaii, and required the Corporation to establish a self-sufficiency standard and cooperate with the United States Census Bureau;
  - (B) Abolished the Hawaii Occupational Safety and Health law, with the exception of the hoisting machine operators advisory board and the hoisting machine operators' certification revolving fund on October 1, 2010;
  - (C) Transferred the Land Use Commission, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
  - (D) Transferred the High Technology Development Corporation and High Technology Innovation Corporation, with their statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
  - (E) Transferred the Office of Planning, with its statutory duties and powers, including jurisdiction over the coastal zone management program, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources; and
  - (F) Transferred the Measurement Standards Program, with its statutory authority, from the Department of Agriculture to the Department of Commerce and Consumer Affairs;
- (2) Stipulating that the abolishment of the Aloha Tower Development Corporation and the transfer of jurisdiction over and responsibility for the harbors modernization functions of the Aloha Tower Development Corporation to the harbors division of the Department of Transportation shall take effect on July 1, 2010;



- (3) Transferring Natural Energy Laboratory of Hawaii Authority to the Department of Accounting and General Services instead of the University of Hawaii;
- (4) Changing its effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1260, 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. 1260, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Taniguchi, Fukunaga, Hee, Kidani, Takamine.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Fukunaga, Hee).

Representatives M. Oshiro, Chong, Rhoads, Yamashita, Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 178 on H.B. No. 1404**

The purpose of this bill is to make the general excise tax exemption amendments for timeshare operators and condominium submanagers permanent.

Your Committee on Conference has amended this bill by:

- (1) Establishing a cap of \$400,000 on amounts not taxable for:
  - (A) Managers, submanagers, or board of directors of an association of apartment owners or of certain nonprofit homeowners or community associations pursuant to Section 237-24.3, Hawaii Revised Statutes (HRS); and
  - (B) Hotel operators pursuant to Section 237-24.7, HRS.
- (2) Extending the general excise tax exemption amendments for timeshare operators and condominium submanagers by one year to December 31, 2010;
- (3) Making this measure effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1404, 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. 1404, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kim, Slom.  
Managers on the part of the Senate.  
Ayes, 2. Noes, none. Excused, 1 (Slom).

Representatives M. Oshiro, Chong, Choy, Tokioka, Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 179 on H.B. No. 989**

The purpose of this bill is to ensure health insurance coverage for all of Hawaii's keiki by:

- (1) Amending Act 236, Session Laws of Hawaii 2007, which established the Hawaii Children's Health Care Program (Program), to extend the Program to June 30, 2012; and
- (2) Requiring the Department of Human Services to report various findings and recommendations to the Legislature prior to the 2010 and 2011 Regular Sessions.

Your Committee on Conference has amended this bill by:

- (1) Requiring that primary health care services for participants in the Program be provided by a federally qualified health centers;
- (2) Requiring the managed care plan partner in the Program to establish payment plans with the state's federally qualified health centers to cover the costs of the participants' primary health care services;
- (3) Appropriating \$200,000 for each year of fiscal biennium 2009-2011, as the State's share of funding for the Program;
- (4) Changing the effective date to July 1, 2009; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 989, 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. 989, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Ige, Tsutsui, Green, Hemmings.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Yamane, Mizuno, Nishimoto, Shimabukuro, Finnegan.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

**Conf. Com. Rep. 180 on H.B. No. 1271**

The purpose of this bill is to promote development for local food and energy businesses and ensure Hawaii is energy and food self-sufficient and sustainable to the maximum extent feasible by:

- (1) Creating and appropriating funds for a Hawaii Economic Development Task Force (Task Force) to accelerate and support public and private efforts to make Hawaii energy and food self-sufficient, consistent with the Hawaii 2050 Sustainability Plan, the Hawaii Clean Energy Initiative, and other government and community planning efforts;
- (2) Revising the tax collected on each barrel of petroleum product sold by a distributor under the environmental response, energy, and food security tax, formerly known as the environmental response tax, and allocating portions of the taxes collected to various funds; and
- (3) Repealing the sunset date of the general excise tax exemption on gross income or proceeds from the sale of alcohol fuels.

Your Committee on Conference has amended this bill by, among other things:

- (1) Inserting purpose language regarding the need to plan for and implement measures to help Hawaii's natural resources and humankind adapt and be resilient to the inevitable challenges brought on by climate change caused by carbon dioxide and other greenhouse gas emissions from burning fossil fuels;
- (2) Amending the provisions of the Energy Security Special Fund as follows:
  - (A) Requiring expenditures from the fund to be subject to legislative appropriation;
  - (B) Allowing, rather than requiring, moneys from the fund to be expended by the Department of Business, Economic Development, and Tourism (DBEDT) and used only for certain purposes;
  - (C) Specifying that one of the purposes for expenditures from the fund shall be to support the Hawaii Clean Energy Initiative Program, including its energy division;
  - (D) Specifying that one of the purposes for expenditures from the fund shall be to fund, to the extent possible, the Greenhouse Gas Emissions Reduction Task Force, Climate Change Task Force, grants-in-aid to the economic development boards of each county, and grants-in-aid to economic development agencies of each county to meet the stated objectives of the Hawaii Clean Energy Initiative Program; and
  - (E) Making DBEDT responsible for the fund by requiring it to submit a report to the Legislature prior to the convening of each regular session;
- (3) Specifying a tax of \$1.05 on each barrel of petroleum product sold by a distributor under the environmental response, energy, and food security tax, and specifying that of this tax:
  - (A) 5 cents shall be deposited into the Environmental Response Revolving Fund;
  - (B) 55 cents shall be deposited into the Energy Security Special Fund;
  - (C) 10 cents shall be deposited into the Energy Systems Development Special Fund; and
  - (D) 35 cents shall be deposited into the Agricultural Development and Food Security Special Fund;
- (4) Amending the provisions of the Task Force as follows:
  - (A) Requiring the Task Force to carry out their duties with the assistance of DBEDT;
  - (B) Specifying that the Director of Business, Economic Development, and Tourism or the Director's designee shall chair the Task Force; and
  - (C) Clarifying that a representative from each private county economic development board shall sit on the Task Force;
- (5) Changing the appropriation to support the work of the Task Force to \$250,000 for fiscal year 2009-2010, to be appropriated from the portion of the environmental response, energy, and food security tax that is deposited into the Energy Security Special Fund, notwithstanding section 201-12.8(b), Hawaii Revised Statutes;
- (6) Establishing the Agricultural Development and Food Security Special Fund, into which shall be deposited among other things a portion of the environmental response, energy, and food security tax, making the Department of Agriculture responsible for the fund by requiring it to submit a report to the Legislature prior to the convening of each regular session, and appropriating \$10,500,000 out of the fund for various agriculture- and food-related projects;

- (7) Establishing the Hawaii Clean Energy Initiative Program to manage the State's transition to a clean energy economy, and appropriating \$393,518 in each year of the 2009-2011 fiscal biennium to provide for seven positions for and otherwise support the Hawaii clean energy initiative of DBEDT;
- (8) Deleting the repeal of the sunset date of the general excise tax exemption on gross income or proceeds from the sale of alcohol fuels;
- (9) Establishing a renewable energy branch within DBEDT to coordinate and promote renewable energy initiatives;
- (10) Making permanent and appropriating \$119,280 out of the Energy Security Special Fund for the renewable energy facilitator position in DBEDT;
- (11) Establishing, and appropriating \$130,000 out of the Energy Security Special Fund for, a permanent, full-time energy program administrator position in DBEDT;
- (12) Establishing, and appropriating funds out of the Energy Security Special Fund for each year of the 2009-2011 fiscal biennium, for seven full-time, temporary positions in DBEDT to support various planning and renewable energy statutory provisions;
- (13) Authorizing the Governor to, subject to the availability of federal funding for energy programs provided by grants, establish the positions necessary to accomplish the management of energy projects funded by federal grants;
- (14) Appropriating \$200,000 out of the Energy Security Special Fund for the Greenhouse Gas Emissions Reduction Task Force;
- (15) Changing the effective date to July 1, 2009; and
- (16) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1271, 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. 1271, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kim, Gabbard, Fukunaga, Kokubun.

Managers on the part of the Senate.

Ayes, 5. Noes, none. Excused, none.

Representatives Morita, Tsuji, Choy, Chong, Coffman, Wooley, Thielen.

Managers on the part of the House.

Ayes, 7. Noes, none. Excused, none.

## STANDING COMMITTEE REPORTS

**SCRep. 1                    Judiciary and Government Operations on Gov. Msg. No. 167**

Recommending that the Senate consent to the nomination of the following:

CIRCUIT COURT OF THE FIRST CIRCUIT

ROM A. TRADER, for a term of ten years.

Your Committee received testimony in support of Rom A. Trader from the State Attorney General, Honolulu Prosecuting Attorney, County of Hawai'i Office of the Corporation Counsel, Hawaii State Bar Association, Office of the Public Defender, The Sex Abuse Treatment Center, Domestic Violence Action Center, one member of the House of Representatives, and 135 individuals.

The Hawaii State Bar Association found the nominee to be qualified for the position of Judge, Circuit Court of the First Circuit, based upon the criteria of integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Rom A. Trader received a Bachelor of Arts degree from the University of Hawaii at Manoa and a Juris Doctor degree from the William S. Richardson School of Law at the University of Hawaii at Manoa. He has been a Deputy Prosecuting Attorney in Honolulu since 1988, and prior thereto, served as a law clerk to Judge Ronald B. Greig. In 2006, Mr. Trader was an Adjunct Professor at the William S. Richardson School of Law. His area of specialty and expertise in the last five-year period has been in criminal law, prosecution, trials, and motions. The issues and areas he has handled, other than trials, include the admissibility or exclusion of evidence; application of court rules, statutes, and case law; constitutional principles and issues; prosecutorial ethics; charge/no-charge decisions; and plea agreements.

Mr. Trader participated in the Men's March Against Domestic Violence in 2008, and the Statewide Sexual Assault Training for Prosecutors in 2006. From 2006 to 2008, he was a committee member of the Diocesan Sexual Misconduct Committee.

Mr. Trader's prosecutorial experience with the Honolulu Prosecuting Attorney includes service as a Deputy Prosecutor in the Career Criminal Division, team captain of the Robbery and Burglary Branch and the Theft and Forgery Branch, Felony Trials Division chief, and chief of the Domestic Violence and Juvenile Offender Division.

Testimony in support of Mr. Trader indicates that he is highly qualified to serve as a judge. During his twenty years of service as a prosecutor, he has handled many of the most serious cases, including murder, sexual assault, domestic violence, and child abuse. Mr. Trader's extensive experience has given him a thorough understanding of courtroom and judicial process. He has an outstanding reputation for integrity and fairness, and has an excellent temperament. He consistently demonstrates sound judgment and common sense, and is known in the legal community for his intelligence, diligence, compassion, and high ethical standards.

Your Committee heard from several testifiers indicating that although Mr. Trader's experience focused on criminal prosecution, he would be able to serve well on civil matters because civil experience may not be as important at the trial level as it would be at the appellate level. Your Committee notes that it would like to take this information under advisement when considering appellate level judges in the future.

Your Committee finds that, based on the testimony submitted on his behalf, Rom A. Trader has the experience, temperament, judiciousness, and other competencies to be a Circuit Court judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a Circuit Court judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 2                    Transportation, International and Intergovernmental Affairs on S.B. No. 277**

The purpose of this measure is to allow the Attorney General to contract with one or more counties for the purpose of processing and issuing state identification cards at satellite city halls or other locations.

Your Committee received testimony in support of this measure from the Honolulu Department of Customer Services (also representing concurrence from the Counties of Hawai'i, Kaua'i, and Maui), and the League of Women Voters of Hawai'i. Testimony in opposition was received from one individual.

Your Committee finds that state identification is vital for seniors, children, and other individuals who do not possess a driver's license or other picture identification. Currently, obtaining a state identification card (certificate of identification) is a lengthy process because processing and administration is conducted at a single location with limited hours of operation.

Honolulu's satellite city halls are convenient locations for state identification processing. Satellite city halls provide services with extended hours, weekend availability, and convenient locations. However, the islands of Moloka'i and Lana'i do not have county equivalents of a city hall as in Honolulu that can be used to issue state identification cards. Testimony of the counties indicates that they are willing to use driver licensing offices, which are equipped for a similar purpose.

Your Committee has amended this measure by deleting reference to city halls and authorizing the counties to use driver licensing offices or other suitable county facilities for state identification administration.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 277, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as S.B. No. 277, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 3                    Transportation, International and Intergovernmental Affairs on S.B. No. 97**

The purpose of this measure is to authorize the issuance of general obligation bonds and making an appropriation for Wailua emergency bypass road repair and resurfacing, and Waimea wastewater treatment plant upgrades for the County of Kaua'i.

Your Committee received testimony in support of this measure from the Kaua'i Department of Public Works; Laborers' International Union of North America Local 368; Hawai'i Building and Construction Trades Council, AFL-CIO, and one individual.

Your Committee finds that the appropriation for the Waimea wastewater treatment plant upgrades will be used to upgrade and expand the capacity of the plant, which treats wastewater from the community of Waimea.

Your Committee further finds that repairs and resurfacing to the Wailua emergency bypass road will allow traffic to keep flowing along Kuhio highway during emergencies. The appropriation is needed because the cost of the project has proven to be prohibitively expensive for the county.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 97 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 4                    Human Services on S.B. No. 1666**

The purpose of this measure is to continue supporting important social service programs with temporary assistance for needy families funds while concurrently maintaining an adequate reserve of funds for the future provision of monthly cash benefits.

Your Committee received testimony in support of this measure from the Department of Human Services, the Department of Defense, Hawaii County Economic Opportunity Council, Child & Family Service, Catholic Charities Hawaii, Hale Kipa Inc., Good Beginnings Alliance, National Association of Social Workers Hawaii, Hawaii Youth Services Network, Mutual Assistance Associations Center, Adult Friends for Youth, Seagull Schools, Sounding Joy Music Therapy, Inc., Hawaii State Coalition Against Domestic Violence, Blueprint for Change, Halau Lokahi, Ka Paalana Traveling Preschool and Homeless Outreach, and three individuals.

The Department of Human Services recommended that the measure include specific appropriation amounts, enumerate and expand the programs to be subsidized by temporary assistance for needy families funds, make appropriations for information systems and administration costs, and transfer portions of temporary assistance for needy families funds to block grant programs to give the State more flexibility in spending the funds.

During times of economic crisis, it is more important than ever that temporary assistance for needy families programs be kept intact to support individuals and families who become eligible for and require assistance from the program. Investing in programs that provide for direct payments, employment and training, prevention of teenage pregnancy, welfare services, and childcare support is especially critical given the current financial climate. Utilizing temporary assistance for needy families funds is essential to meet the basic needs of struggling families, and supports programs that effectively assist them in attaining self-sufficiency.

Your Committee intends this measure to direct valuable temporary assistance for needy families funding to meet the demand for direct cash benefits and necessary social service programs while maintaining an adequate level of cash reserves to ensure the continued provision of cash benefits into the future.

Your Committee has amended this measure by:

- (1) Providing specific amounts to be appropriated from temporary assistance for needy families program funds for various programs;
- (2) Clarifying the scope of the programs enumerated in the measure that should receive temporary assistance for needy families funding by:
  - (A) More narrowly defining the programs under the existing measure to include services relating to care for children in their own homes or in the homes of relatives, work program contracts and support services for program recipients, prevention and reduction of out-of-wedlock pregnancies and encouragement of two-parent families, and purchase of service contracts for child protective services;
  - (B) Adding appropriations for costs of program implementation, including costs for information systems and program administration; and
  - (C) Transferring funds to the child care development fund and the social services block grant to provide for greater flexibility in spending federal funds; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1666, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1666, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 5 (Majority) Education and Housing on S.B. No. 438**

The purpose of this measure is to authorize the Board of Education to file any notice that specifies legislation or legislation-related agenda items no fewer than two calendar days before a meeting during the period from the convening of the Legislature in regular session to adjournment sine die of each regular session, and during any special session of the Legislature.

Testimony in support of this measure was submitted by one state agency. A private organization submitted testimony in opposition. One state agency submitted comments.

Your Committee finds that the deadline-driven demands of the legislative session often require that the Board of Education take positions or other action on legislation and legislation-related matters in a timely manner. This measure will provide flexibility in the public notice requirements of chapter 92, Hawaii Revised Statutes, to enable Board of Education members to participate effectively in the legislative process.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 438 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 6 Education and Housing on S.B. No. 732**

The purpose of this measure is to increase the income tax check-offs in support of public education and public libraries.

Testimony in support of this measure was submitted by one state agency. One state agency submitted testimony in opposition. One private organization submitted comments.

Your Committee finds that this measure would provide taxpayers with additional options to support Hawaii's public schools and libraries. The Department of Taxation estimates that beginning in 2010, a check-off for the school-level minor repairs and maintenance special fund could generate about \$88,000 annually and the check-off for public libraries could generate about \$77,000 annually.

Your Committee has amended this measure to give the Department of Taxation additional time to make changes in the Department's computer system and tax forms by making the measure applicable to taxable years beginning after December 31, 2009.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 732, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 732, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 7 Education and Housing on S.B. No. 160**

The purpose of this measure is to:

- (1) Add a definition of "school meals" to include breakfast and lunch; and
- (2) Clarify that the Department of Education shall set prices for all school meals, based on the previous year's costs, to ensure that the cost to the students shall be not less than one-half of the cost of preparing the meals.

Testimony in support of this measure was submitted by one state agency.

Your Committee finds that this measure will enable the Department to adjust its meal prices annually in response to changes in costs, reducing the possibility that funds for food subsidies will need to be taken from other educational programs.

Your Committee has amended this measure by making technical amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 160, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 8 Higher Education on S.B. No. 1674**

The purpose of this measure is to amend Act 161, Session Laws of Hawaii 2007, to:

- (1) Increase the revenue bonds authorized by Act 161 from \$100,000,000 to \$150,000,000; and
- (2) Extend the lapse dates of the appropriations from the revenue bonds to June 30, 2013, for the initial \$100,000,000 authorization, and to June 30, 2015, for the additional \$50,000,000 authorization.

Testimony in support of this measure was submitted by the University of Hawaii and the Pacific Resource Partnership.

Your Committee finds that the additional bond issuance authorization in this measure will enable the University to address its growing facility needs and major repair and maintenance requirements in a timelier manner. These include an estimated \$202,000,000 in projects that the Board of Regents has approved as projects for which the revenue bond proceeds may be used.

Your Committee has amended this measure by:

- (1) Deleting the specific listed projects to be financed through the revenue bonds to allow the University more flexibility in determining the final priority list; and
- (2) Requiring the University to include a detailed listing and description of all projects to be funded through the revenue bonds as part of its notification to the Legislature of the issuance of the additional revenue bonds.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1674, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 9 Education and Housing on S.B. No. 163**

The purpose of this measure is to repeal the district business and fiscal officer positions within the Department of Education.

Testimony in support of this measure was submitted by one state agency.

Your Committee finds that beginning with Act 213, Session Laws of Hawaii, 2007, the Legislature has provided through appropriations for one business manager position for each of the fifteen complex areas to support the schools and officers within each complex. As a result, the district business and fiscal officer positions in section 302A-604.5, Hawaii Revised Statutes, are unnecessary and their repeal will have no effect on the operations of the Department.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 163 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 10 Education and Housing on S.B. No. 164**

The purpose of this measure is to:

- (1) Change the name of the Department of Education's federal grants search, development, and application revolving fund to the federal grants revolving fund; and
- (2) Expand the uses of the fund to monitor grant execution, ensure compliance with grant requirements, and audit grant expenditures.

Your Committee finds that the current language is somewhat restrictive and the changes to both the name and the authorized uses of the fund will allow the Department of Education greater flexibility in securing and managing federal grant moneys.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 164 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 11 (Majority) Transportation, International and Intergovernmental Affairs on S.B. No. 529**

The purpose of this measure is to establish an Office of International Affairs special fund to deposit admission fees from seminars, workshops, trade shows and missions, private and government grants, and other contributions to pay for expenses incurred to organize, plan, and implement business development activities of the Office of International Affairs.

This measure also makes an appropriation for the Office of International Affairs special fund.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Testimony in opposition was received from the Department of Budget and Finance.

The Office of International Affairs was established by Act 172, Session Laws of Hawaii 2006, to coordinate and promote economic, social, cultural, and scientific relations with other countries. Act 172 did not establish a fund to deposit proceeds derived by the Office of International Affairs.

This measure specifies that all revenues, admission fees, and charges from workshops, seminars, conferences, trade shows, and trade missions collected by the Office of International Affairs, and private or governmental grants, donations, and contributions, are to be deposited into the Office of International Affairs special fund. Moneys in the special fund are to be used for the following purposes:

- (1) The planning, marketing, and implementation of domestic and overseas workshops, seminars, conferences, trade shows, and trade missions; and

- (2) The performance of other duties of the Office of International Affairs, including the promotion of Hawaii business, trade, education, and culture.

Your Committee finds that this measure would enhance the funding of international relations programs sponsored by the State. The status of Hawai'i as a prominent participant in international affairs would be elevated to a level deserving of serious international and national recognition.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 529 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 12 Human Services on S.B. No. 112**

The purpose of this measure is to make Children's Justice Program records confidential, subject to exceptions for coordinating agency staff, health professionals, and the courts.

Your Committee received testimony in support of this measure from the Judiciary. The Office of Information Practices submitted comments.

Your Committee finds that the Children's Justice Program promotes the sharing of information between different agencies that provide services to children and their families. Much of this information is personal in nature, and should not be subject to public release under chapter 92F, Hawaii Revised Statutes. This measure requires that all records used or developed by the Children's Justice Program shall remain confidential, subject to exceptions for program and coordinating agency staff, medical and mental health professionals, and the courts.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 13 Human Services on S.B. No. 186**

The purpose of this measure is to increase the monthly board rate for foster care services.

Your Committee received testimony in support of this measure from six individuals. The Department of Human Services submitted testimony opposing the measure.

Your Committee finds that the monthly board rate for foster care services has not been raised since 1990, and that the failure to increase the rate has made it difficult for foster families to provide food, housing, utilities, clothing, and other necessary items to their foster children.

Your Committee further finds that increasing the monthly board rates provided to foster care and adoptive parents by one hundred dollars per month would cost the State an additional \$9,600,000 per fiscal year. In recognition of the State's current financial condition, your Committee finds that this measure should be used as a vehicle to utilize a portion of the moneys included in the proposed federal economic stimulus package, if any, for the purposes of the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 186 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 14 Human Services on S.B. No. 312**

The purpose of this measure is to promote awareness and emphasize the importance of language access for state services by designating the month of September as "language access month."

Your Committee finds that Hawaii is rich with cultural diversity. However, with this diversity comes language barriers for foreign-born residents who are not fluent in the English language. This measure serves to celebrate the efforts Hawaii has taken to ensure that all residents have equal access to state programs, activities, and services, regardless of their English proficiency. This measure designates the month of September as "language access month" to acknowledge and raise awareness of such efforts; encourage the continued provision of language access services; and honor Hawaii's diversity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 312 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 15 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 30**

The purpose of this measure is to improve public safety and animal welfare by restricting the practice of animal tethering.



Testimony in support of this measure was submitted by two organizations and thirteen public citizens. One organization supported the intent of the measure.

Under present law, dogs may be tethered for twenty-four hours a day, seven days a week to a stationary object as long as the tether is at least six feet long. Continuously tethered dogs become lonely, bored, territorial, and aggressive. Researchers have found that tethered dogs are nearly three times more likely to bite and over five times more likely to bite children.

Additionally, a tether can become tangled around or hooked on the dog's shelter structure or other objects, further restricting the dog's movement and potentially causing injury. Dogs are pack animals and are naturally social. Tethered dogs live an isolated existence that is contrary to their own instincts, and this lack of socialization is part of what makes tethered dogs more dangerous.

Your Committee has heard from one public citizen who witnessed neighbors who kept two dogs tethered by ropes tied to trees in their front yard. The neighbor had been burglarized, and the dogs were a security measure. When the public citizen called the Hawaiian Humane Society for assistance, the Hawaiian Humane Society informed the public citizen that Hawaii law did not prevent the neighbors from keeping the dogs tethered. The dogs could not interact with each other because the tether was too short, and in time they grew despondent and died. The public citizen supports this measure for the welfare of dogs, and for the helpless neighbors forced to watch the abuse of animals.

Your Committee, however, recognizes that there are enforcement challenges for the Hawaiian Humane Society and economic hardships imposed by this measure. In light of these issues, your Committee encourages the proponents of the measure to collaborate with other parties to resolve differences in crafting amendments for this measure.

Your Committee has amended this measure by:

- (1) Amending the effective date to July 1, 2050 for the purpose of furthering discussion;
- (2) Adding a sunset date of June 30, 2014; and
- (3) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 30, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 30, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 16 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 86**

The purpose of this measure is to establish the Makua Valley Reserve Commission to oversee preservation and restoration activities in Makua Valley on Oahu.

Testimony in support of this measure was submitted by two organizations and one public citizen. Two organizations supported the intent of this measure. Testimony in opposition of this measure was submitted by two state agencies, one organization, and three public citizens.

The intent of this measure is to establish the stakeholders in the Makua Valley preservation and restoration efforts, and provide the community with a coequal position from which to advocate.

Your Committee amended this measure by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 86, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 86, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 17 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 167**

The purpose of this measure is to establish a two-year conservation corps pilot program for helping at-risk persons develop life and job skills and gain work experience on the island with the largest contiguous land area.

Oral testimony in support of this measure was presented by four public citizens, one organization submitted comments, and one state agency submitted testimony in opposition.

Your Committee supports the intent of this measure since participation in conservation corp programs can help at-risk persons develop a sense of stewardship and gain experience through community service, training, and education. Accordingly, your Committee believes the measure warrants further discussion.

Your Committee has amended this measure by:

- (1) Inserting language to require matching funds from federal sources;
- (2) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 167, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 18 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 37**

The purpose of this measure is to provide an alternate ferry route from Lana'i to Ma'alaea Harbor.

Specifically, this measure provides:

- (1) Priority assignment of mooring space for a ferry route from Ma'alaea Harbor to Lahaina;
- (2) An exemption from the imposition of the general excise tax for the proceeds from the sale of liquid fuels consumed in the operation of certain intra-county ferry services; and
- (3) An exemption from the fuel tax for fuel purchases for certain intra-county ferry services.

One state agency and one organization provided comments. Testimony in opposition was submitted by one state agency.

West Maui residents are served by only one two-lane highway and one small airport. The residents of the island of Lana'i have only one affordable and frequent means of transport to Maui, which is the intra-county ferry from Lana'i to Lahaina. A more convenient route for Lana'i travelers would be to dock in Ma'alaea.

Your Committees find that an alternative ferry route from Lana'i to Ma'alaea Harbor will also benefit West Maui residents by easing congestion in and around Lahaina and its small boat harbor. The alternate route to Ma'alaea will also facilitate emergency ferry operations out of Lahaina if the highway in West Maui is closed for some reason.

Your Committees understand that certain provisions of this measure were adopted in Act 57, Session Laws of Hawaii 2008, however, the exemption of the sale of liquid fuel from the general excise tax provides a critical element for the support of the intra-island ferry operations.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of consistency and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 37, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 37, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Nishihara, Tokuda, Hemmings).

**SCRep. 19 Transportation, International and Intergovernmental Affairs on S.B. No. 123**

The purpose of this measure is to allow the operation of antique motor vehicles on the highways for specified purposes.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition was received from the Honolulu Division of Motor Vehicle & Licensing Division of Motor Vehicle. Comments were received from the Department of Taxation and the Department of Transportation.

This measure would allow the operation of antique motor vehicles on the highways of the State for the purpose of:

- (1) Participation in club activities, exhibits, tours, parades, and similar events including transportation to and from the events;
- (2) Testing operation or obtaining repairs or maintenance; or
- (3) Occasional pleasure driving not exceeding unspecified miles from the residence of the owner.

Your Committee finds that the operation of antique motor vehicles is increasingly popular. Your Committee further finds that antique motor vehicles should pay the same motor vehicle weight taxes as other vehicles.

Your Committee has amended this measure by:

- (1) Requiring antique motor vehicle owners to pay the same motor vehicle annual weight tax as other motor vehicles; and
- (2) To restrict the operation of antique motor vehicles to within twenty miles of the residence of the owner.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 123, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 20            Transportation, International and Intergovernmental Affairs on S.B. No. 281**

The purpose of this measure is to allow the counties to prohibit or to regulate the use of electric personal assistive mobility devices on sidewalks.

Your Committee received testimony in support of this measure from the Honolulu Department of Transportation Services, Segway Inc., and one individual. Comments were received from the Waikiki Improvement Association.

Your Committee finds that electric personal assistive mobility devices, also known as Segways, present unique problems to sidewalk pedestrian use which depends on the character of each neighborhood. Each county is better able to judge for itself the permissible use of Segways on sidewalks. Your Committee also believes that this matter is a home-rule issue that should be delegated to the counties.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 281 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 21            (Joint) Water, Land, Agriculture and Hawaiian Affairs and Energy and Environment on S.B. No. 412**

The purpose of this measure is to establish June 8 of every year as World Ocean Day.

Testimony in support of the measure was submitted by one state agency, six organizations, and five individuals.

Your Committees find that the concept of World Ocean Day was established in 1992 at the United Nations Earth Summit. It is now universally accepted that the world's oceans are critical to maintaining the planet's ecosystems and are essential to human health and well-being.

Your Committees further find that Hawaii's location in the middle of the Pacific Ocean and its unique distinction of being the group of islands farthest removed from any other body of land in the world make it not only appropriate but also advisable to participate in World Ocean Day.

Your Committees note that ocean environments around the world are collapsing for many different reasons, including uncontrolled uses, pollution, invasive species, species depletion, and unsustainable coastal development. Your Committees believe that establishing June 8 as World Ocean Day will provide an opportunity for Hawaii to contribute to the ongoing global effort to educate the world's population about conserving and protecting the world's oceans and fragile marine environments.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 412 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Fukunaga, Green, Hooser).

**SCRep. 22            Ways and Means on H.B. No. 302**

The purpose of this measure is to appropriate funds to provide for the expenses of the Legislature and its service agencies.

More specifically, this measure provides for the expenses of the Legislature, Office of the Auditor, Hawaii State Ethics Commission, Office of the Ombudsman, Legislative Reference Bureau, and the legislative broadcast program.

Your Committee received testimony in support of this measure from the Senate Clerk, the Office of the Auditor, the Legislative Reference Bureau, the Hawaii State Ethics Commission, the Ombudsman, and one concerned individual.

Your Committee finds that the reductions made in House Draft 1 by the House of Representatives to the operating budgets of the Senate, the House of Representatives, the Auditor, and the Legislative Reference Bureau were made with the full concurrence of the Senate and represent the Legislature's commitment to facing the State's dire economic outlook during the next fiscal biennium.

This measure, as amended, represents a reduction of \$2,238,268 in the 2009-2010 budget for the legislative branch as compared to 2008-2009, and includes a \$1,735,679 reduction in the Legislature's proposed budget. Your Committee is very cognizant of the necessity of such cuts and will continue in the next few months to make responsible and difficult budgetary decisions in order to balance the state budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 302, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hee).

**SCRep. 23            (Majority) Transportation, International and Intergovernmental Affairs on S.B. No. 697**

The purpose of this measure is to clarify that money collected by the Liquor Commission from fines imposed on licensees shall be used for substance abuse treatment and prevention programs provided by the applicable county, in addition to liquor educational programs.

Your Committee received testimony in support of this measure from Maui Economic Opportunity, Inc., and MADD. Testimony in opposition was received from the Retail Liquor Dealers Association of Hawaii.

Your Committee finds that this measure would be beneficial in assisting persons with substance abuse dependency problems to receive needed services. This measure also helps agencies providing substance abuse prevention services to fund those services.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 697 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 24                    Transportation, International and Intergovernmental Affairs on S.B. No. 715**

The purpose of this measure is to require the Statewide Transportation Council to comply with county transportation-related plans, county general plans, and all community, development, or community development plans adopted pursuant to the county general plan, to the extent that compliance does not affect the availability of federal funds.

Your Committee received testimony in support of this measure from the Hawai'i Association of Realtors. Testimony in opposition was received from the Department of Transportation.

Your Committee finds that this measure would improve coordination between the State and counties in transportation planning and funding.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 715 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, none.

**SCRep. 25                    Transportation, International and Intergovernmental Affairs on S.B. No. 711**

The purpose of this measure is to clarify that the length of an articulated bus for public transit purposes must not exceed eighty-two feet in length, and shall not consist of more than three units.

Your Committee received testimony in support of this measure from the Maui Department of Transportation, Hawai'i Hotel & Lodging Association, Hawai'i Transportation Association, and SODERHOLM. Testimony in opposition was received from the Honolulu Department of Transportation Services.

Your Committee finds that this measure is enabling legislation to allow the operation of the larger buses, known as articulated buses, to be operated by any county in the State for public transit. Your Committee, however, cautions the counties to exercise sound judgment in operating these buses. Testimony indicated that articulated buses may not be suitable in all locales due to street width and the width of sidewalks and curbs at intersections.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 711, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 26                    Transportation, International and Intergovernmental Affairs on S.B. No. 718**

The purpose of this measure is to direct the Department of Transportation to adopt a complete streets policy with regard to future transportation projects.

Your Committee received testimony in support of this measure from the Honolulu Department of Transportation Services, Sierra Club Hawai'i Chapter, Hawai'i Bicycling League, Peoples Advocacy for Trails Hawai'i, Na Kama Hele, One Voice, Hawai'i Public Health Association, Injury Prevention Advisory Committee, Hawai'i Nutrition and Physical Activity Coalition, AARP, and two individuals. Testimony in opposition was received from the Department of Transportation.

"Complete streets" means roadways that accommodate all travelers, particularly users of public transit, bicyclists, pedestrians, and motorists to enable all users to use the roadway safely and efficiently. Complete streets policies are designed to ensure that: all users of the transportation system, of all ages and physical ability, including pedestrians, bicyclists, and public transit users are adequately accommodated in all phases of project planning and development; and the safety and convenience of all users are considered in all phases of project planning and development.

Your Committee finds that the time is right to commence transportation planning for the State and counties to accommodate all users of streets, roads, and highways, particularly in view of the increased use by bicyclists and pedestrians. Your Committee believes that this measure is a start in that direction.

Your Committee has amended this measure by deleting its contents and inserting provisions to:

- (1) Require the State and counties to adopt a complete streets policy to seek to reasonably accommodate convenient access and mobility for all users of the public highways and trails system as established under current law, including pedestrians, bicyclists, transit users, motorists, and persons of all abilities;

- (2) Apply the complete streets policy to highways, roads, streets, ways, and lanes located within urban, suburban, and rural areas, where appropriate for the application of complete streets;
- (3) Exempt application of the complete streets policy under specified conditions;
- (4) Apply the complete streets policy to any development for which planning or design commences on or after January 1, 2010; and
- (5) Establish a temporary task force, on the recommendation of the Department of Transportation, to review existing state and county highway design standards and guidelines, with an interim report to the Legislature in 2010, and a final report in 2011, including proposed legislation, for the purpose of:
  - (A) Determining standards and guidelines that can be established to apply statewide and within each county in order to provide consistency for all highway users;
  - (B) Proposing changes to state and county design standards and guidelines; and
  - (C) Developing a comprehensive complete streets policy that can be feasibly implemented.

In the proceedings of the task force, your Committee requests the Department of Transportation to:

- (1) Be cognizant of and to abide by section 10 of article IX, of the Hawaii State Constitution, which is the law of the splintered paddle; and
- (2) Promote interchange and collaboration with the counties, in order to reach mutually agreeable results.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 718, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, none.

**SCRep. 27 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 153**

The purpose of this measure is to provide greater protection of the public's right to access coastal and inland recreational areas by requiring state and county agencies to ensure that a public right-of-way is available before the approval of any development project, subdivision, or zoning change.

Testimony in support of this measure was submitted by one state agency, one organization, and one public citizen. Testimony in opposition of this measure was submitted by one state agency, two county agencies, and two organizations.

Hawai'i offers some of the most stunning hiking trails and beaches in the world, attracting residents and visitors alike for their beauty and challenge. Access to Hawai'i's coast and mountain areas for recreational, cultural, or subsistence use is a core value that residents have respected for generations. Certain developers and gated communities restrict access to public lands, and they are growing in popularity. This measure will help ensure safe access along the coastline and to public inland areas to prevent abuses of Hawai'i's access laws.

Your Committees find that it is the intent of this measure to require state and county agencies to ensure that a public right-of-way is available for development projects that may affect public access. This measure will not affect most improvements to existing structures.

Your Committees adopted the recommendation of the Department of Land and Natural Resources and amended this measure by deleting references to dwelling unit and house. Your Committees understand that application of this measure to individual homes may be overly restrictive at this time, however, your Committees believe this measure is a necessary regulatory check to ensure the availability of public rights-of-way.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 153, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 153, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, 1 (Slom). Excused, 4 (Fukunaga, Nishihara, Tokuda, Hemmings).

**SCRep. 28 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 468**

The purpose of this measure is to revise coastal zone management statutes to implement a more comprehensive, science-based understanding of sea level rise and its inclement impacts.

Specifically, this measure, among other things:

- (1) Requires affected agencies to account for sea level rise and minimize risks from coastal hazards such as erosion, storm inundation, hurricanes, and tsunamis;
- (2) Preserves public access and public shoreline access; and

(3) Extends shoreline setback to not less than forty feet from shoreline and requires counties to account for annual erosion rates.

Testimony in support of this measure was submitted by one organization and one public citizen. Two state agencies supported the intent of this measure. Testimony in opposition was submitted by one state agency, two county agencies, and three organizations.

The coastal zone management program under section 205A-2, Hawaii Revised Statutes, was established to manage, promote, preserve, and protect the State's marine, coastal, and surrounding recreational areas. The program focuses on Hawai'i's ecosystem as a whole rather than on the individual species, resources, or uses, thus the objectives and policies of the program have broad implications. However, the initial drafting was prior to more comprehensive, science-based understandings of sea level rise and its impacts over the lifetime of coastal developments. Proper revision can enable the statute to accommodate dynamic coastlines, which migrate following a long-term trend, through the use of state-of-the-science data and tools, as well as, modern adaptation and hazard mitigation strategies.

Your Committees find that a significant shoreline setback is not without precedent. Kaua'i recently adopted an ordinance for shoreline setback that is the strongest in the State, requiring dwellings to be set back seventy times the annual erosion rate plus forty feet. Pushing buildings back from eroding waterlines is critical to the protection of life and property, the mitigation of coastal hazards, and the preservation of coastal resources.

Your Committees have amended this measure by requiring all counties, in addition to the forty-foot minimum setback, to adopt ordinances to establish a setback based on the annual erosion rate.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 468, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 468, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Ayes with Reservations, 1 (Kokubun). Noes, 1 (Slom). Excused, 4 (Fukunaga, Nishihara, Tokuda, Hemmings).

**SCRep. 29 Economic Development and Technology on S.B. No. 1525**

The purpose of this short form bill is to amend the law relating to economic development.

Your Committee has amended this measure by establishing a statewide Academy for Creative Media Program.

Specifically, as amended, this measure is aimed at developing a skilled workforce to support digital media production sound stages, post-production services, and related businesses in the West Oahu region and provide for creative career and business opportunities for students in this State by establishing the Academy for Creative Media Program at the University of Hawaii and specifying its management structure and also by amending Act 11, First Special Session of 2007, to delete provisions relating to leasing the Public Broadcasting System Hawaii facility.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1525, as amended herein, and recommends that it be recommitted to the Committee on Economic Development and Technology, in the form attached hereto as S.B. No. 1525, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 30 (Majority) Labor on S.B. No. 1568**

The purpose of this short form bill is to amend the law relating to unemployment insurance.

Your Committee has amended this measure by inserting language to allow the following persons to receive unemployment benefits:

- (1) An individual for whom a majority of the weeks of work in the individual's base period includes part-time work and who is seeking only part-time work. Under existing law, such an individual would be ineligible to receive unemployment benefits under requirements for availability for work, active search for work, or refusal to accept work; and
- (2) An individual who is separated from employment for a compelling family reason.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, as amended herein, and recommends that it be recommitted to the Committee on Labor, in the form attached hereto as S.B. No. 1568, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 31 Labor on S.B. No. 1571**

The purpose of this short form bill is to amend the law relating to workforce development.

Your Committee has amended this measure by inserting language to appropriate federal Reed Act funds for workforce development initiatives as follows:

- (1) As seed monies to the Department of Labor and Industrial Relations;
- (2) To provide funds to assist the State's four local workforce investment boards; and

- (3) To provide funds to Oahu's workforce investment board.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1571, as amended herein, and recommends that it be recommitted to the Committee on Labor, in the form attached hereto as S.B. No. 1571, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 32 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1**

The purpose of this measure is to rehabilitate the natural populations of all Hawaiian opihi species and establish a new direction for the management of the fishery.

Specifically, this measure:

- (1) Establishes a five-year moratorium on the harvesting of opihi on Oahu; and
- (2) Establishes a ban on taking or harvesting opihi statewide, subject to open and closed seasons and the traditional rights of certain ahupuaa tenants.

Testimony in support of the measure was presented by one state agency, five nongovernmental organizations, and one public citizen. One state agency submitted comments on the measure.

Your Committee finds that breeding adult opihi needs to be protected to ensure opihi populations will replenish themselves. Opihi have free swimming larvae which can disperse from the no take areas into areas where harvest is legal. Oahu requires more drastic actions to rehabilitate its opihi populations due to overharvesting.

The Department of Land and Natural Resources estimates that it would require two staff per island devoting roughly fifty per cent of their time to the task to meet the proposed opihi species monitoring requirement. The Department of Land and Natural Resources Division of Aquatic Resources recognizes the importance of monitoring opihi species, however, the Division is small and the monitoring requirement may affect the biennium budget.

Your Committee has amended this measure by:

- (1) Replacing the monitoring requirement, with the requirement that the Department of Land and Natural Resources report to the Legislature each year on the general effectiveness of the bans imposed by this measure, and the enforcement thereof;
- (2) Clarifying that native Hawaiian gathering rights do not affect the prohibition of taking opihi from below the waterline; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

Your Committee believes that the amendments made to this measure fulfill the intent of this measure, which is to rehabilitate the Hawaiian opihi populations.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 33 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 580**

The purpose of this measure is to clarify that the forfeiture laws apply to violations of conservation and resources statutes and rules and to the protection of caves, historic preservation, and the Kaho'olawe Island Reserve.

Testimony in support of this measure was submitted by two state agencies, one organization, and two public citizens. One county agency submitted testimony in opposition.

The Hawaii State Supreme Court in the case of *Carlisle v. One (1) Boat, et al.* (No. 26995, November 17, 2008), held that the State's forfeiture laws, and the Department of Land and Natural Resources administrative rules, as applied to natural resource violations do not provide the requisite specificity to authorize forfeiture claims by the State.

The Department of Land and Natural Resources Division of Conservation and Resources Enforcement, working closely with county prosecutors and the Department of the Attorney General, has judiciously used forfeiture to deter those considering violating state laws and to gain compliance from those actively violating conservation and resources statutes and administrative rules.

Your Committee finds that the issues addressed in *Carlisle v. One (1) Boat, et al.* can be remedied with a revision of the administrative rules governing conservation and resources violations.

In light of this finding, your Committee has amended this measure by:

- (1) Deleting the provisions of the measure that amend sections 187A-5, 188-70, 712A-4, and 712A-5, Hawaii Revised Statutes;
- (2) Adding a new section to clarify that forfeiture is a civil remedy for violations of chapter 6K, Hawaii Revised Statutes, relating to the Kaho'olawe Island Reserve; and

- (2) Requiring that the Department of Land and Natural Resources participate in the forfeiture program for the protection of caves, historic preservation, and the Kaho'olawe Island Reserve.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 580, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kokubun, Takamine).

**SCRep. 34 (Joint) Higher Education and Health on S.B. No. 1046**

The purpose of this measure is to appropriate funds to support the Hawaii Quentin Burdick rural health interdisciplinary training program.

Testimony in support of this measure was submitted by the University of Hawai'i, Hawaii Medical Service Association, Hawaii Association for Justice, Na Pu'uwai Native Hawaiian Health Care System, and eleven individuals.

Your Committees find that the Hawaii Quentin Burdick program began with funding by a federal grant from the Department of Health and Human Services Bureau of Health Professions, Health Resources and Services Administration, and that since early 2006, the Legislature has provided funding that allows the program to continue. Your Committees have heard testimony from a number of practicing health care professionals who credit their career choices to participation in the program, and your Committees are strongly supportive of the benefits the program brings to rural areas of the State.

Your Committees support funding the Hawaii Quentin Burdick rural health interdisciplinary training program at \$400,000 in each year of the coming biennium. However, given the State's current economic constraints, your Committees also urge the program's administrators to seek alternative funding, including opportunities that may be available through the state and federal economic stimulus packages.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1046 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Espero, Taniguchi, Hemmings).

**SCRep. 35 Labor on S.B. No. 691**

The purpose of this measure is to permit Liquor Commission employees to support, advocate, or aid in the election or defeat of any candidate for public office.

Testimony in support of this measure was submitted by one organization.

Your Committee finds that like other State and county employees, Liquor Commission employees, when off-duty, should be permitted to participate in various lawful political activities, such as advocating or assisting in the election or defeat of a candidate for public office, without written notification to their respective Liquor Commission. Your Committee also notes that like other public employees, during work hours, the restrictions on political activities set forth in chapter 84, Hawaii Revised Statutes, the ethics law, continue to apply to Liquor Commission employees.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 691 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 36 Labor on S.B. No. 64**

The purpose of this measure is to authorize the Labor and Industrial Relations Appeals Board to use a hearings officer.

Testimony in support was submitted by one state agency and two organizations.

Your Committee finds that the hearings officer afforded by this measure would enable expedited resolution of time-sensitive matters on appeal from decisions of the Director of Labor and Industrial Relations and allow the use of current staff and resources more effectively, which is particularly important during these difficult fiscal times. On average, six hundred decisions and orders of the Director of Labor and Industrial Relations are appealed annually. This includes the appeal of treatment plan, vocational rehabilitation, and temporary total disability issues. With the authority granted by this measure, both hearings officer and the Board will hear appeals, which will enable the Board to make a bigger dent in its caseload and afford it the ability to fast-track the consideration of matters for which time is of the essence. As such, this measure will benefit both employers and employees in the consideration of workers' compensation issues.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 64 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).



**SCRep. 37      Judiciary and Government Operations on S.B. No. 110**

The purpose of this Act is to make an emergency appropriation to appropriate \$1,854,425 in general funds to pay for statewide increased electricity payments for fiscal year 2008-2009 for judiciary facilities.

Your Committee received testimony in support of this measure from the Judiciary.

Your Committee finds that high world oil prices have contributed to the shortfall in the Judiciary's budgeted expenses. Without an emergency appropriation, the Judiciary will have to defer payment on its May and June 2009 electricity bills.

Your Committee has amended this measure on the recommendation of the Judiciary to reduce the appropriation to \$1,104,497 to reflect the recent drop in fuel prices. Your Committee notes that employees of the Judiciary are making attempts to reduce electricity costs by removing personal items from their offices and turning off lights and computers when they leave for the day.

Your Committee received information from the Judiciary that the Governor will not recommend passage of an emergency appropriation measure for the Judiciary. However, your Committee recommends passage of this measure so a vehicle will be available to provide the Judiciary relief, should circumstances warrant the Governor to change her mind.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 110, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 38      Judiciary and Government Operations on S.B. No. 194**

The purpose of this measure is to:

- (1) Require a tax refund to be direct deposited in the taxpayer's account if the taxpayer so desires;
- (2) Prohibit deposit of a taxpayer-client's refund into a paid tax preparer's account;
- (3) Require a paid tax preparer to sign a return prepared by the paid tax preparer; and
- (4) Establish penalties if a paid tax preparer violates provisions of the measure.

Your Committee received testimony in support of this measure from the Department of Taxation.

The intent of this measure is to prohibit a paid tax preparer from designating the preparer's own personal account or business account as the account into which a client's refund should be deposited.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate continuing discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 194, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 39      Transportation, International and Intergovernmental Affairs on S.B. No. 979**

The purpose of this measure is to prohibit a court from granting a restricted license to a commercial driver if the commercial driver is convicted of operating a vehicle under the influence of an intoxicant.

In addition, the measure specifically limits the court's authority to grant a restricted license to a person convicted of operating a vehicle under the influence of an intoxicant, to only category (1), (2), and (3) licenses.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that this measure is required to conform to federal regulations relating to commercial driver licenses. Under current law, the court may order license restriction on a driver of any category of motor vehicle. This measure clarifies that only non-commercial driver licenses are subject to license restriction to allow the driver to continue to drive for limited purposes. Therefore, commercial drivers are not eligible for the issuance of a restricted license by a court.

The intent of this measure is to disallow an unsafe commercial driver to continue to pose a risk to motorists and other roadway users.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 979, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 40      Transportation, International and Intergovernmental Affairs on S.B. No. 1056**

The purpose of this measure is to:

- (1) Increase the penalty from \$11,000 to \$25,000 for employers who violate the commercial driver licensing law regarding permitting a licensed commercial driver to drive during the period in which the driver or the vehicle is subject to an out-of-service order;
- (2) Clarify that a person is prohibited from driving a commercial motor vehicle in violation of an out-of-service order;
- (3) Provide a penalty of not more than \$200 for any person convicted or found in violation of driving a commercial vehicle while having any alcohol in the person's body, and a penalty of not more than \$500 for any person convicted or found in violation of having 0.4 per cent blood alcohol; and
- (4) Replace the existing monetary penalty range of not less than \$1,100 nor more than \$2,750 for violating an out-of-service order with an enhanced staggered monetary penalty range of not less than \$1,100 nor more than \$4,000 for a first violation, and not less than \$5,000 nor more than \$7,500 for a second or subsequent violation.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that this measure is necessary in order to comply with federal regulations regarding commercial driver licensing. According to the Department of Transportation, failure to enact this measure could result in the loss of federal funds to the State.

Your Committee has amended this measure by raising the minimum penalty amount for a first time violation of an out-of-service order from \$1,100 to \$2,500 and by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1056, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1056, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 41                    Transportation, International and Intergovernmental Affairs on S.B. No. 1087**

The purpose of this measure is to require the Director of Human Resources Development to expand the pretax transportation benefit pilot program in the City and County of Honolulu to all counties of the State and to make the pilot program permanent.

Your Committee received testimony in support of this measure from the HGEA. Testimony in opposition to this measure was received from the Department of Human Resources Development.

Your Committee finds that the basis of opposition of the Department of Human Resources Development is the expansion of the program to the Neighbor Islands and the consequent costs. Your Committee is cognizant of the costs, as well as the fact that not all islands may have a bus system.

Your Committee has amended this measure by restricting the program to islands that have a public transit system, and to employees of the Legislature residing in counties having a population of over 500,000 persons.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1087, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 42                    Higher Education on S.B. No. 504**

The purpose of this measure is to appropriate funds to establish a sustainability internship program at the University of Hawaii at Manoa as part of the Sustainable Saunders project.

Testimony in support of this measure was submitted by fourteen individuals. The University of Hawaii submitted testimony in opposition.

Your Committee finds that the appropriation in this measure will meet two critical needs at the University:

- (1) It will facilitate the employment of students each semester and provide them with professional experience and qualifications for employment in an industry with a solid growth potential; and
- (2) In turn, these interns will assist the University in applying no cost to low cost energy modification recommendations for application at the University of Hawaii at Manoa, other campuses, and the general community.

Your Committee understands the fiscal constraints that the University of Hawaii faces in funding the sustainability internship program in this measure. However, your Committee notes that the University saved approximately \$100,000 as a result of the Sustainable Saunders project energy efficient initiatives and expanding the project to Hamilton Library is projected to save \$700,000 annually. Given these significant reductions in costs, which would not have realized without the work of the interns, your Committee believes it would be beneficial for the University administration to consider alternatives to fund the program. At a minimum, the University is strongly urged to consider funding the program through cost savings realized by these energy efficiency projects. In addition, there are a number of capital improvement project initiatives, either before the Legislature or being considered as part of the

economic stimulus package, which offer opportunities for the University to realize additional energy savings that could in turn fund the sustainability internship program.

Your Committee has amended this measure to:

- (1) State clearly that the appropriation is to establish a sustainability internship program at the University of Hawaii at Manoa;
- (2) Authorize the University of Hawaii to fund the program through alternative means, such as cost savings realized as a result of the program or capital improvement projects that utilize energy efficiency initiatives; provided further that if alternative means of funding are used, any unexpended and unencumbered balance of the appropriation shall lapse into the general fund; and
- (3) Require the University to work with the Sustainable Saunders project to identify alternative methods of funding the sustainability internship program, such as through cost savings or other means, and to report to the 2010 Legislature on any additional system-wide savings generated as a result of energy efficiency initiatives and recommendations for funding the sustainability internship program through means other than general fund appropriations.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 504, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 504, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Sakamoto).

**SCRep. 43            Transportation, International and Intergovernmental Affairs on S.B. No. 1018**

The purpose of this measure is to make an appropriation of \$4,000,000 as a grant-in-aid to the County of Hawai'i, to assist in the purchase of six additional forty-foot buses and the construction of a transit baseyard including a maintenance and repair facility and fueling station.

Your Committee received testimony in support of this measure from the County of Hawai'i.

This measure is intended to expand public transportation in the County of Hawai'i. The residents of the county face difficult challenges in commuting for work, school, and health and recreational purposes due in part to the long distances they must travel to their destinations, fuel costs, and lack of transportation alternatives.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1018 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 44            Transportation, International and Intergovernmental Affairs on S.B. No. 1615**

The purpose of this measure is to add the Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands to the jurisdictions which the examiner of drivers may waive the knowledge test required for a driver license.

Your Committee received testimony in support of this measure from the Department of Transportation. Testimony in opposition was received from the Honolulu Driver Licensing Administrator.

Under current law, the knowledge test may be waived for any other state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, American Samoa, Guam, a province of the Dominion of Canada, or the Commonwealth of the Northern Mariana Islands. This measure would give parity in treatment to people of the Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands. This measure would also better enable them to find jobs and housing, which necessitate the use of a car.

Your Committee finds that citizens of the Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands can move freely between their nations and the United States, in accordance with the Compact of Free Association, as amended in 2003. This measure is a logical extension of that privilege.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1615 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 45            Transportation, International and Intergovernmental Affairs on S.B. No. 1630**

The purpose of this measure is to:

- (1) Require the wearing of safety glasses, goggles, or a face shield by a moped operator, and requiring the renter or lessor of a moped to provide the protective devices equipment;
- (2) Require the wearing of a safety helmet by persons intending to operate a moped or motor scooter;
- (3) Remove the requirement that minors wear helmets when operating or riding on motorcycles; and
- (4) Prohibit a three-wheeled moped from operating in a bicycle lane or bicycle lane.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health, MADD, and State Farm. Testimony in opposition was received from one individual. Testimony in opposition was received from Street Bikers United.

Your Committee finds that operators of mopeds should be required to wear safety glasses, goggles, or a face shield, and other protective devices, as is currently required of operators of motorcycles and motor scooters that are not equipped with windscreens or windshields. Your Committee further finds it is necessary for operators of motorcycles, mopeds, and motor scooters wear a safety helmet. Your Committee believes that wearing a helmet for protection from cranial injuries, irrespective of the skill level of the operator, is a matter of public health. It is your Committee's obligation to protect the public health and safety.

Your Committee further finds that prohibiting three-wheeled mopeds from being driven on bicycle paths and lanes makes sound sense, given the narrowness of bicycle lanes and paths.

Your Committee has amended this measure by retaining the existing requirement that minors that operate or ride on a motorcycle wear helmets and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1630, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1630, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 46                    Transportation, International and Intergovernmental Affairs on S.B. No. 1645**

The purpose of this measure is to require the State Building Code Council to adopt standards to allow the use of bamboo as an accepted construction material under the state building code.

Your Committee received testimony in support of this measure from True Offsets, American Bamboo Society, Bamboo Village Hawai'i, Whispering Winds Bamboo, Land and Water Planning and Consulting, Friendly Aquaponics, Cassel Design Studio, Bamboo Nursery, and six individuals. Testimony in opposition was received from the Structural Engineers Association of Hawai'i.

Your Committee finds that bamboo forms a very hard wood which is both lightweight and exceptionally durable. In tropical climates it is used in elements of house construction, construction scaffolding, as a substitute for steel reinforcing rods in concrete construction, and other uses. Modern companies are also attempting to popularize flooring made of bamboo pieces steamed, flattened, glued together, finished, and cut. Bamboo is thought to be an ecologically friendly construction material. Bamboo houses can be constructed that are earthquake and hurricane resistant, that are certified by the Insurance Services Office (ISO).

Your Committee believes the State Building Council should also investigate and implement standards for a rural building code for the State that allows for agricultural, temporary, and experimental living structures utilizing bamboo.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1645 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 47                    Judiciary and Government Operations on S.B. No. 120**

The purpose of this measure is to adopt the Uniform Mediation Act.

Mediation is a process that allows parties to voluntarily resolve a dispute with the help of a third party. Communications made during the mediation process are currently covered by Rule 408 of the Hawaii Rules of Evidence. This bill increases protection for mediation communications. It establishes an evidentiary privilege for mediators and parties that participate in mediation. This bill covers most mediations except those involving collective bargaining, minors in a primary or secondary school peer review context, youth in correctional institutions, and mediations that are conducted by a judge who might issue a ruling on the case.

The Hawaii Commission to Promote Uniform Legislation submitted testimony in support of the bill.

Your Committee has amended this bill by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 120, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 48                    Judiciary and Government Operations on S.B. No. 119**

The purpose of this measure is to update existing law regarding the recognition of foreign money judgments.

More specifically, this bill would adopt the Uniform Foreign-Country Money Judgments Recognition Act and repeal chapter 650C, Hawaii Revised Statutes, the Uniform Foreign Money-Judgments Recognition Act. The Uniform Foreign-Country Money Judgments Recognition Act updates current law by:

- (1) Allocating the burden of proof with respect to the applicability of the Act to the party seeking recognition of a foreign country money judgment;
- (2) Establishing procedures for obtaining recognition of foreign country money judgments;
- (3) Expanding the grounds for denying recognition of foreign country money judgments, while also allocating the burden of proof to the party against such recognition; and
- (4) Establishing a statute of limitations.

The Hawaii Commission to Promote Uniform Legislation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 49                    Judiciary and Government Operations on S.B. No. 92**

The purpose of this measure is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii pursuant to the statute revision program of the Legislative Reference Bureau under chapter 23G, Hawaii Revised Statutes.

All amendments are of a purely technical nature and correct errors, update references, clarify language, and delete obsolete or unnecessary language.

Sections 26 to 74 of this measure amend sections of the Hawaii Revised Statutes that refer to chapter 460, relating to osteopathy, which was repealed by Act 5, Session Laws of Hawaii 2008, which consolidated the regulation of physicians and osteopaths under chapter 453, Hawaii Revised Statutes, and repealed chapter 460. What Act 5 did not do, however, was make conforming amendments to sections outside of chapter 453 that contain references to the repealed chapter 460. This measure amends those Hawaii Revised Statute sections by deleting the references to repealed chapter 460 and adding references to osteopathy or osteopathic physician as necessary or appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 92 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 50                    Energy and Environment on S.B. No. 1338**

The purpose of this measure is to prohibit real estate contracts, agreements, and rules from precluding or rendering ineffective the use of clotheslines on the premises of single-family dwellings.

Testimony in support of this measure was submitted by two private organizations. Testimony in support of this measure, with comments, was submitted by two private organizations. One private organization submitted testimony supporting the intent of this measure. Testimony in opposition to this measure was submitted by two private organizations and two individuals. Comments were submitted by one private organization.

Your Committee finds that this measure is a fair and balanced means to allow local residents to save money and save energy by using a clothesline to dry their clothes. Further, this measure does not prevent all homeowner association rules on clothesline usage, only those that are unreasonable.

In response to the recommendation expressed by the Sierra Club, your Committee has amended this measure by clarifying that homeowner association rules cannot limit access to air or sunlight reasonably necessary for the use of clotheslines.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1338, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1338, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 51                    Education and Housing on S.B. No. 663**

The purpose of this measure is to amend the definition of “familial status” to specify that a non-parent individual cohabiting with any minor children must have evidence of legitimate consent of the child’s parent to qualify for “familial status” under the state real property transaction laws.

The measure replaces the term “domiciled” with “cohabiting” and the phrase “has written or unwritten permission” with “possesses evidence of legitimate permission”. The measure also defines the phrase “possesses evidence of legitimate permission” as “consent that is genuine and authentic, and not fabricated for purposes of subverting the law”.

Testimony in support of this measure was submitted by one private business and one individual. Two organizations submitted testimony in opposition. One state agency submitted comments.

Your Committee finds that, while the intent of this measure is to provide for greater certainty regarding the familial status of a child, the proposed language raised a number of concerns by those testifying.

Your Committee has amended this measure accordingly, by restoring the current definition and deleting only the phrase “or unwritten”.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 663, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 52                    Education and Housing on S.B. No. 187**

The purpose of this measure is to authorize the issuance of general obligation bonds for infrastructure to build affordable housing.

Testimony in support of this measure was submitted by one county agency and one private organization. One state agency submitted testimony in opposition.

Your Committee finds that one of the greatest obstacles to the development of affordable housing is the financing of required infrastructure and this measure will assist in providing an additional source of funding.

Your Committee has amended this measure to make a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 187, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 53                    Education and Housing on S.B. No. 863**

The purpose of this measure is to:

- (1) Authorize the Hawaii Housing Finance And Development Corporation to modify and amend development agreements with eligible developers;
- (2) Authorize the imposition and collection of reasonable fees for administrative expenses; and
- (3) Make housekeeping amendments to delete incorrect references to “public” housing.

Testimony in support of this measure was submitted by one state agency.

Your Committee finds that Act 198, Session Laws of Hawaii 2005, added a new section to chapter 201G, Hawaii Revised Statutes, to provide express authority for the Housing and Community Development Corporation of Hawaii to modify and amend development agreements with eligible developers that were entered into by its predecessor, the Housing Finance and Development Corporation. However, this section was omitted in Act 180, Session Laws of Hawaii 2006, which recodified Hawaii’s housing laws.

Your Committee further finds that this measure also clarifies the Corporation’s authority to establish and collect reasonable application or service fees for loans, grants, or other affordable housing financing and development assistance programs.

Your Committee has amended this measure to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 863, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 54                    (Majority) Education and Housing on S.B. No. 752**

The purpose of this measure is to establish a dedicated source of funding for self-help housing by establishing a self-help housing trust fund with moneys collected pursuant to the conveyance tax.

Testimony in support of this measure was submitted by two county agencies and two private organizations. Testimony in opposition was submitted by one state agency. Two private organizations submitted comments.

Your Committee finds that self-help homes are the most economically feasible option for low and very low income families to become homeowners in Hawaii. For example, the Hilo Habitat program produced three-bedroom, two-bath homes with solar hot water and a computer for \$85,000 last year. Self-help technical assistance would add \$20,000 per home, but even with this addition, a family’s monthly payments for a self-help home are often less than what many families must pay to rent in Hawaii.

Your Committee further finds that turning families from renters to owners creates hope, which is critical during these difficult economic times, and also contributes to more stable and sustainable communities.

Your Committee believes this measure will help to address the scarcity of loan financing and technical assistance funding necessary to expand opportunities for self-help housing in Hawaii.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 752, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hemmings). Excused, none.

**SCRep. 55 Health on S.B. No. 51**

The purpose of this measure is to protect public health by including tooth whitening services in the definition of the practice of dentistry.

Your Committee received testimony in support of this measure from the Hawaii Dental Association and the Board of Dental Examiners. The Department of Commerce and Consumer Affairs submitted testimony in support of this measure with amendments.

Your Committee finds that teeth whitening services are being provided by businesses that are not licensed to practice dentistry. Including teeth whitening services in the definition of the practice of dentistry will enable the Department of Commerce and Consumer Affairs to facilitate effective enforcement of businesses engaged in the unlicensed practice of dentistry.

Your Committee has amended this measure by adopting the recommendations of the Department of Commerce and Consumer Affairs by clarifying that:

- (1) The practice of dentistry includes the offer to perform or the performance of any phase of any operation incident to teeth whitening, including the instruction or application of teeth whitening materials or procedures at any location; and
- (2) "Teeth whitening" means any process performed by one individual upon another individual to whiten or lighten the appearance of human teeth by the application of chemicals, whether or not in conjunction with a light source.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 51, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 51, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 56 Transportation, International and Intergovernmental Affairs on S.B. No. 716**

The purpose of this measure is to amend Act 171, Session Laws of Hawaii (SLH) 2008, relating to the implementation of use of an ignition interlock device, to reflect recommendations of the Hawaii Ignition Interlock Implementation Task Force.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health, Office of the Public Defender, Honolulu Prosecuting Attorney, Honolulu Police Department, Hawaii Ignition Interlock Implementation Task Force, and MADD. Testimony in opposition was received from the Hawai'i Insurers Council. Comments were received from the Judiciary.

The Hawaii Ignition Interlock Implementation Task Force was created by Act 171, SLH 2008, to make recommendations to the Legislature to implement Act 171. The Task Force was broadly representative of the Legislature, the Judiciary, relevant executive departments of the State and counties, and concerned citizen groups. Recognizing the need to resolve a number of outstanding issues in the transition to use ignition interlock devices, the Legislature delayed the effective date of Act 171 to July 1, 2010.

Your Committee finds that the use of an ignition interlock device prevents drivers previously arrested for driving under the influence of intoxicants from starting or operating a motor vehicle with more than a minimal alcohol concentration while their case is pending or while their license is revoked.

Your Committee notes that numerous steps have been taken by the Legislature over the past twenty-five years to address the toll exacted from our community by those who operate a motor vehicle under the influence of alcohol or drugs, or both. These include providing increased criminal penalties, from larger fines and longer license suspensions and prison terms to forfeiture of the motor vehicle involved in the crime. New criminal offenses have been created, from causing death with a motor vehicle while under the influence of alcohol or drugs to habitually driving under the influence. Administrative license revocation has been enacted to quickly revoke the driver's license while the courts determine what penalties are appropriate. Special attention has been given to repeat offenders, offenders who are highly intoxicated, youthful offenders, and those who drive under the influence with a child in the vehicle. Your Committee believes that using interlock devices to deter intoxicated drivers from driving is a natural extension of these policies.

Your Committee has amended this measure by:

- (1) Extending the sunset date of the ignition interlock implementation task force to June 30, 2011; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 716, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 716, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 57 Tourism on S.B. No. 1226**

The purpose of this measure is to reduce the percentage of transient accommodations tax that is deposited into the tourism special fund.

Specifically, this measure reduces the percentage of transient accommodations tax that is deposited into the tourism special fund from 34.2 per cent to 32.6 per cent.

Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism, the Hawaii Tourism Authority, the Hawaii Hotel and Lodging Association, and the Outrigger Hotels. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that concerns have been raised regarding the expenditure of monies in the tourism special fund by the Hawaii Tourism Authority.

In response to the opposition submitted, your Committee amended this measure by deleting the specific percentage allocation of transient accommodations tax that is deposited into the tourism special fund and left the amount unspecified to promote further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1226, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 58 Education and Housing on S.B. No. 1631**

The purpose of this measure is to repeal the requirement that the Hawaii Teacher Standards Board shall notify the court that the individual being tried by the court for a sexual offense is a teacher.

Testimony in support of this measure was submitted by one state agency.

Your Committee finds that during the rulemaking process, the Hawaii Teacher Standards Board determined it was not able to comply with the requirement to notify the court that the individual being tried by the court for a sexual offense is a teacher. The Board noted that as not all who teach are licensed by the Board, the Board would not have that information, which would be more appropriately supplied by the attorneys involved.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1631 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 59 (Majority) Education and Housing on S.B. No. 754**

The purpose of this measure is to direct the Legislative Reference Bureau to review the state and county laws related to affordable housing, to identify strategies to strengthen Hawaii's housing laws; and to require a report to the 2010 Legislature.

Testimony in support of this measure was submitted by one state agency. One private organization submitted testimony in opposition. One state agency submitted comments.

Your Committee finds that there have been numerous amendments to and the refocusing of Hawaii's housing laws in recent years. While these efforts have led to increased support for affordable housing, there may be greater efficiencies in providing services and additional housing initiatives that can be met through amended or new legislation. Your Committee believes that this review will assist the Legislature in identifying and enacting more efficient affordable housing development initiatives.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hemmings). Excused, none.

**SCRep. 60 (Joint) Higher Education and Health on S.B. No. 39**

The purpose of this measure is to require the University of Hawaii, beginning January 1, 2010, to report semi-annually on the moneys in the Hawaii cancer research special fund, including deposits, expenditures, and other transactions.

Testimony in support of this measure was received from the University of Hawai'i Cancer Research Center of Hawai'i, the High Technology Development Corporation, and the American Cancer Society Hawaii Pacific, Inc.

Your Committees find that this measure will promote transparency in financial accounting of the moneys in the special fund, which will assist the Cancer Research Center of Hawai'i in providing better cancer care to improve the health and well being of the people of Hawaii. This will also provide the Legislature with the information it needs to ensure that progress is being made in the building and expansion of the Cancer Research Center of Hawai'i.



As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 39 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Kokubun, Nishihara, Sakamoto, Taniguchi, Hemmings).

**SCRep. 61                    Judiciary and Government Operations on S.B. No. 111**

The purpose of this measure is to establish the priority of the payment of DNA analysis fees in relation to the payment of other fees that a court may order a defendant who is convicted of a felony offense to pay.

Your Committee received testimony in support of this measure from the Judiciary-Adult Client Services Branch.

Current law is silent as to when the DNA analysis monetary assessment must be paid by a convicted felon into the DNA registry special fund under section 706-603, Hawaii Revised Statutes. This measure provides for the assessment to be paid as the third order of priority after restitution (first order of priority) and the crime victim compensation fee (second order of priority). The Judiciary stated that this measure clarifies any confusion on the priority of fees that may be assessed by the courts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 111 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 62                    Judiciary and Government Operations on S.B. No. 109**

The purpose of this measure is to adopt the new Interstate Compact for Juveniles, and repeal the existing Interstate Compact for Juveniles codified as chapter 582, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Judiciary and Department of Human Services-Office of Youth Services.

Your Committee finds that this measure would enable Hawaii to participate in a new juvenile interstate compact that replaces the existing compact which expires on December 15, 2009. An interstate compact ensures the supervision of juveniles from state to state and ensures the return of juvenile runaways, escapees, and absconders to the supervising state. The compact also helps prevent juveniles from committing other crimes or becoming victims themselves.

According to testimony of the Judiciary, thirty-five states have adopted the new compact to date. Without adoption of the new compact, Hawaii will no longer have the procedural means to regulate the movement of juveniles across state lines or to return runaways, absconders, or escapees.

Your Committee has amended this measure on the recommendation of the Judiciary by changing the appropriation amount to \$12,000.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 109, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 63                    Tourism on S.B. No. 264**

The purpose of this measure is to clarify the duties of the Hawaii Tourism Authority (Authority) regarding the development of measures of effectiveness in assessing its marketing plan.

The measure attempts to accomplish this purpose by amending language in the existing statute to specify that the Authority shall develop measures of effectiveness to assess its marketing plan, as opposed to language that only requires the Authority to be responsible for developing measures of effectiveness to assess its marketing plan.

Your Committee received testimony in support of the intent of this measure from the Department of Business, Economic Development, and Tourism. The Authority submitted testimony in support of the measure with suggested amendments.

Your Committee finds that this measure will help address concerns raised in the State Auditor's report that was released on January 14, 2009, regarding the Authority and its long-term strategy for addressing tourism in Hawaii.

Your Committee finds that this measure will clarify the duties of the Authority regarding the development of measures of effectiveness in assessing its marketing plan.

Your Committee further finds that the Authority has recommended that the measure be amended to further require that the measures of effectiveness shall assess and document the effectiveness of the Authority's marketing plan in:

- (1) Creating the intention to travel to Hawaii;
- (2) Establishing positive impressions of the Hawaii brand relative to its competitors; and
- (3) Measuring the specific marketing attributes of Hawaii in major market areas.

Your Committee finds that the recommendations offered by the Authority have merit and the possible inclusion of these recommendations should be discussed as the measure progresses through the legislative process.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 264 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 64 Energy and Environment on S.B. No. 1381**

The purpose of this short form bill is to amend the law relating to the environment.

Your Committee has amended this measure by inserting language proposed by the Department of Health, which relates to drinking water, wastewater infrastructure, and the American Recovery and Reinvestment Act of 2009.

Your Committee has amended this measure to better utilize funds from the federal American Recovery and Reinvestment of 2009, should such funds become available, for drinking water and wastewater infrastructure improvements.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, as amended herein, and recommends that it be recommitted to the Committee on Energy and Environment, in the form attached hereto as S.B. No. 1381, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kokubun).

**SCRep. 65 (Joint) Higher Education and Energy and Environment on S.B. No. 1280**

The purpose of this measure is to appropriate funds to the University of Hawai'i for a study relating to beach erosion at Kailua beach.

Comments on this measure were submitted by the University of Hawai'i at Manoa Environmental Center, University of Hawai'i Sea Grant Extension Service, Sierra Club Hawai'i Chapter, and one individual.

Your Committees find that there is an existing planning effort being conducted by the University of Hawai'i Sea Grant College Program for Kailua Beach, which is funded by the Department of Land and Natural Resources. The Kailua Beach and Dune Management Plan is designed to produce place-based beach and dune management recommendations for ensuring conservation of Kailua Beach during the twenty-first century. The planning effort will develop a site-specific plan to account for sea-level rise, erosion trends, and community development patterns along the beach, with the goal of identifying innovative beach management approaches for Kailua and to serve as a template for place-based management on other Hawaii beaches.

Your Committees support the approach in this amended measure, particularly as it builds on work already underway. However, your Committees would urge the Sea Grant College Program to explore alternative methods of funding, including any funds that may be available in the federal economic stimulus package.

Your Committees have amended this measure accordingly, to:

- (1) Reference the Kailua Beach and Dune Management Plan currently being conducted by the University of Hawai'i Sea Grant College Program and the Department of Land and Natural Resources;
- (2) Change the expending agency from the University of Hawai'i School of Ocean and Earth Sciences to the University of Hawai'i Sea Grant College Program; and
- (3) Clarify that the 2010 report to the Legislature is a progress report of the Kailua Beach and Dune Management Plan, and the 2011 report to the Legislature is a final report to include measures that may be adopted in order to manage coastal erosion, sea level rise, and land use development along the shoreline of Kailua.

As affirmed by the records of votes of the members of your Committees on Higher Education and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1280, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1280, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 5 (English, Sakamoto, Takamine, Taniguchi, Hemmings).

**SCRep. 66 (Joint) Energy and Environment and Education and Housing on S.B. No. 241**

The purpose of this measure is to promote energy conservation, reduce the State's dependence on foreign oil, and decrease the heat island effect by establishing specific performance standards mandating the use of cool roofs in all new residential and commercial construction in Hawaii.

Testimony in support of the measure was submitted by a private organization and an individual. Testimony in opposition was submitted by a state department and a private organization. Comments were submitted by two private organizations. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that this measure would not only result in reducing the heat island effect, thus lowering the overall need for cooling in urban areas, but would also reduce cooling costs of individual homes or structures.

Your Committees have amended this measure by:

- (1) Adding an exemption to the cool roof requirement for a building with on-site photovoltaic systems that provide power sufficient to cover the structure's daytime energy usage;
- (2) Adding a partial exemption to the cool roof requirement for portions of a roof that are or will be covered by a solar energy system;
- (3) Clarifying the definitions of "new construction" and "cool roof" to be consistent with the operative portions of the measure; and
- (4) Making technical corrections for typographical and grammatical errors and to make the measure consistent with the Hawaii Revised Statutes and other portions of the measure.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 241, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 241, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (English, Green, Hooser, Tsutsui).

**SCRep. 67 Energy and Environment on S.B. No. 606**

The purpose of this measure is to provide the boards of directors of a condominium association with the same authority that condominium unit owners now have to install or allow the installation of solar energy or wind energy devices on the common elements, under appropriate circumstances, to further reduce Hawaii's dependence on energy generated from fossil fuels.

Testimony in support of this measure was submitted by four private organizations. One of these organizations, the Hawaii Chapter of the Community Associations Institute, also submitted oral testimony expressing concern that the measure, as drafted, would authorize the board of directors of a condominium association to permit an owner to install solar energy or wind energy devices within the common elements that could block the views of other owners. The Community Associations Institute suggested alternative language to address this possibility.

Your Committee finds that this measure is a logical extension of Act 157, Session Laws of Hawaii 2005, which prohibited restrictions preventing individuals from installing solar energy devices on houses or townhomes that they own. The present condominium law requires high levels of unit owner approval, typically, 67% or 75%, to lease even unused areas of the project, such as roofs. This measure allows the board, alone, to install solar energy devices or lease roof space and other unused areas of the project.

Your Committee has amended this measure by:

- (1) Revising the definition of "wind energy device" for clarity and consistency within the definition; and
- (2) Adopting the recommendation of the Community Associations Institute regarding the board's ability to permit installations.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 606, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 68 (Majority) Tourism on S.B. No. 1167**

The purpose of this measure is to make housekeeping amendments to the contract reporting requirements and other laws relating to the Hawaii Tourism Authority.

Specifically, this measure renames the title of the executive director of the Hawaii Tourism Authority to president and chief executive officer, removes the dollar amount from the contract reporting requirement and requires the Hawaii Tourism Authority to report periodically on contracts that have been entered into, and repeals the sunset date in section 14 of Act 306, Session Laws of Hawaii 2006, which, in effect, makes permanent the Authority's ability to hire its own attorneys and to exercise a level of fiscal autonomy on par with the University of Hawaii and the Department of Education.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, and Outrigger Hotels. The Department of Business, Economic Development, and Tourism submitted comments on this measure.

Your Committee finds that this measure will enhance the Hawaii Tourism Authority's business practices by making amendments that conform to current practices of the Hawaii Tourism Authority. The Hawaii Tourism Authority submitted testimony stating that it currently reports all contracts and agreements that the Hawaii Tourism Authority enters into through its Executive Director's report to the Governor, Speaker of the House of Representatives, and the Senate President.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1167, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1167, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Tsutsui).

**SCRep. 69            Transportation, International and Intergovernmental Affairs on S.B. No. 1054**

The purpose of this measure is to prohibit provisional licensees under the age of eighteen and holders of a temporary instruction permit who are age fifteen years and six months or older but under the age of eighteen, from engaging in various tasks not associated with operating a motor vehicle while operating a motor vehicle.

Your Committee received testimony in support of this measure from the Department of Transportation, MADD – Hawaii, and State Farm Mutual Automobile Insurance Company. Testimony in opposition was received from the Office of the Public Defender. Copies of written testimony are available for review on the Legislature’s website.

Your Committee finds that certain common driver distractions contribute to inattention to driving, which may result in catastrophic consequences. The problem is exacerbated among young and inexperienced drivers who are the subject of this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1054, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1054, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 70            Transportation, International and Intergovernmental Affairs on S.B. No. 1614**

The purpose of this measure is to require moneys in the passenger facility charge special fund be expended for payment of debt service on revenue bonds issued for airport capital improvements, and for any purpose permitted by the Aviation Safety and Capital Expansion Act of 1990.

Your Committee received testimony in support of this measure from the Department of Transportation and Department of Budget and Finance. Copies of written testimony are available for review on the Legislature’s website.

Your Committee finds that this measure allows the Department of Transportation to create subaccounts within the passenger facility charge special fund to pay debt service on bonds issued to finance airport capital improvement projects, as permitted under the Aviation Safety and Capacity Expansion Act of 1990.

Your Committee has amended this measure by changing the effective date to upon its approval.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1614, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1614, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 71            (Joint) Energy and Environment and Education and Housing on S.B. No. 178**

The purpose of this measure is to establish a three-year pilot project in one or more schools, to be selected by the Department of Education, in partnership with the Department of Health, for recycling food waste as part of the State’s integrated solid waste management plans.

Testimony in support of the measure was submitted by one state department, and testimony in opposition to the measure was submitted by one state department.

Your Committees find that it is important to promote the State’s policy of re-use and recycling of solid and liquid wastes through this food waste recycling pilot program.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 178 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (English, Green, Hooser, Tsutsui).

**SCRep. 72            Transportation, International and Intergovernmental Affairs on S.B. No. 1206**

The purpose of this measure is to confer upon a county with a population of at least 500,000 people, the power to issue revenue bonds in its own name if so authorized under the county charter.

Your Committee received testimony in support of this measure from the Honolulu Board of Water Supply. Copies of written testimony are available for review on the Legislature’s website.

Your Committee finds that this measure enables the various county water supply boards to issue revenue bonds in conformity with county charters of counties with a population of at least 500,000 persons.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1206 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 73            Transportation, International and Intergovernmental Affairs on S.B. No. 15**

The purpose of this measure is to reflect the current names of agencies within the federal Department of Homeland Security with regard to warrantless arrests.

Your Committee received testimony in support of this measure from the State Attorney General. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that this measure updates state law regarding warrantless arrests to be consistent with references of agencies in federal law that confer similar authority.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 15 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 74            Transportation, International and Intergovernmental Affairs on S.B. No. 483**

The purpose of this measure is to make amendments to the statute regarding the trauma system surcharge for purposes of statutory consistency.

Your Committee did not receive any testimony on this measure.

Your Committee finds that this measure clarifies that the trauma system surcharge is deposited into the trauma system special fund, which is used by the Department of Health to support the continuing development and operation of a comprehensive state trauma system.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 483 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 75            Transportation, International and Intergovernmental Affairs on S.B. No. 470**

The purpose of this measure is to make various administrative and technical amendments to chapters 231 and 281, Hawaii Revised Statutes, as they relate to liquor licenses.

Your Committee received testimony in support of this measure from the Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui and the City and County of Honolulu Liquor Commission. Copies of written testimony are available for review on the Legislature's website.

Among other things, this measure:

- (1) Enables the liquor control departments to extend relief to licensees who cannot obtain a tax clearance prior to license renewal or transfer;
- (2) Expands the use of fine moneys to include public liquor-related educational or enforcement programs, subject to a quantified annual limit;
- (3) Clarifies procedures relating to liquor license transfers, to more accurately reflect modern business enterprise organization; and
- (4) Extends the time within which a liquor commission may grant or refuse a liquor license application following public hearing.

Your Committee finds that the statutory amendments pursuant to this measure provide clarity and consistency and enhance the enforcement powers of the various county liquor commissions.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 470 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 76            Education and Housing on S.B. No. 1308**

The purpose of this measure is to transfer functions and duties of the Hawai'i Teacher Standards Board to the Board of Education.

Testimony in support of this measure was submitted by one state agency. Testimony in opposition to this measure was submitted by four state agencies, two private organizations, and one individual. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that Senate Concurrent Resolution No. 83, S.D. 1, 2008, requested the Auditor to conduct a study of the Hawaii Teacher Standards Board, including:

- (1) Organizational placement of the Board as an administratively attached agency to the Department of Education;
- (2) The functions and operations of the Board and their similarity to other agencies;
- (3) The Board's long-range planning in relation to appropriate policy foundations, benchmarks, and accountability mechanisms;
- (4) The Board's appeals process; and
- (5) The capabilities of the Board's web-based system, implemented in 2006.

Your Committee understands that the Auditor expects to submit a final report to the Legislature by the middle of February 2009. Until the final report is available, your Committee believes this measure provides a vehicle to promote further discussion.

Your Committee has amended this measure by:

- (1) Clarifying that the Board of Education shall adopt policies in accordance with chapters 91 and 92, Hawaii Revised Statutes;
- (2) Deleting a reference to the Teacher Standards Board authorization to set and administer its own budget; and
- (3) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1308, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Galuteria).

**SCRep. 77 (Majority) Higher Education on S.B. No. 505**

The purpose of this measure is to exempt the University of Hawai'i from public procurement code requirements through June 30, 2014.

Testimony in support of this measure was submitted by the University of Hawai'i System, the University of Hawaii Professional Assembly, and one individual. Testimony in opposition was submitted by the State Procurement Office, AIA Hawaii State Council, American Council of Engineering Companies of Hawaii, American Public Works Association Hawaii Chapter, Ironworkers Stabilization Fund Local 625, Plumbing & Mechanical Contractors Association of Hawaii, Subcontractors Association of Hawaii, and one individual. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure would give the University temporary flexibility in procurement, which was previously provided to the University from 1998 through 2004. Your Committee has heard that the capital improvement project budget request approved by the Board of Regents includes approximately \$350,000,000 for priority projects in health and safety, capital renewal and deferred maintenance, and equipment. These critical deferred maintenance and capital renewal projects are on all campuses, already identified, involve little in the way of permitting, and are ready to launch quickly.

Your Committee has heard a number of concerns raised, however, regarding a complete exemption from the procurement provisions. While your Committee is supportive of fast tracking projects that will benefit both the University and the local economy, members believe many of these concerns should be addressed.

Your Committee has amended this measure accordingly, by:

- (1) Requiring the Board of Regents to develop public procurement practices that are subject to section 103D-304 (procurement of professional services), part X of chapter 103D (preferences), and chapter 104 (wages and hours of employees on public works), Hawaii Revised Statutes; and
- (2) Amending the effective date to July 1, 2030 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 505, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Slom). Excused, none.

**SCRep. 78 Labor on S.B. No. 201**

The purpose of this measure is to appropriate funds to the Hawaii County Economic Opportunity Council for the purchase of ten buses to provide transportation for disadvantaged and low-income people in the County of Hawaii.

Testimony in support of this measure was submitted by the Hawaii County Economic Opportunity Council. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that Hawaii County is geographically the largest of the State's counties. Your Committee also finds that twenty-four off-highway communities exist along a two-hundred-sixty-mile area where no transportation services are available other than that provided by the Hawaii County Economic Opportunity Council.

Your Committee further finds that the Hawaii County Economic Opportunity Council currently uses twenty-eight mini-buses to serve their clients and that ten of the buses are more than ten years old, each with over 250,000 recorded miles. These ten buses require frequent maintenance and repairs, encounter difficulties in meeting safety checks, and increase operational costs due to inefficient use of gas and oil.

Your Committee believes that the Hawaii County Economic Opportunity Council provides a unique and valuable service by providing transportation for low-income elderly, disabled, low-income preschool children, and other disadvantaged people in the County of Hawaii.

Your Committee acknowledges the Hawaii County Economic Opportunity Council's request for \$600,000 to purchase the ten buses but will currently leave the appropriation request unspecified to allow the Committee on Ways and Means to determine the appropriate amount.

Your Committee has amended this measure as follows:

- (1) By deleting the dollar amount and leaving it unspecified for determination by the Committee on Ways and Means; and
- (2) By making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 201, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 201, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 79                    Transportation, International and Intergovernmental Affairs on S.B. No. 1052**

The purpose of this measure is to:

- (1) Require the driver education assessment to be levied on persons required to attend an anger management or driver training course; and
- (2) Impose stricter penalties for reckless driving or riding of animals.

Your Committee received testimony in support of this measure from the Department of Transportation. Testimony in opposition was received from the Office of the Public Defender. Comments were received from the Judiciary. Copies of written testimony are available for review on the Legislature's website.

The current penalty for reckless driving is a fine of not more than \$1,000 or imprisonment of not more than thirty days, or both. This measure repeals the current penalty and adds a tiered system of penalties for the first and subsequent offenses, including a combination of fines, suspension or revocation of license for a specified number of days, community service, attendance in an anger management course or drivers training or both, and imprisonment.

The current fine for reckless driving has existed at least from 1955 (Revised Laws of Hawaii, section 311-1). The current penalty of imprisonment of was enacted by Act 287, Session Laws of Hawaii 1998, which lowered the length of imprisonment from one year to thirty days.

Your Committee finds that the tiered system of penalties in this measure reflects other penalties in the traffic code for repeat driving offenses of a serious nature. The intent is to provide progressively stricter penalties for repeat offenders as a matter of punishment and deterrence.

Your Committee has amended this measure by:

- (1) Clarifying the penalty for a first offense to apply if a court has not deferred proceedings on the plea, on recommendation of the Department of Transportation;
- (2) Exempting a first offense from the requirement of providing proof of financial responsibility, on recommendation of the Department of Transportation; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1052, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1052, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 80                    (Joint) Transportation, International and Intergovernmental Affairs and Commerce and Consumer Protection on S.B. No. 698**

The purpose of this measure is to increase the rental motor vehicle and tour vehicle surcharge tax by an unspecified amount.

This measure provides that:

- (1) Of the rental motor vehicle surcharge tax, \$3 (current amount) is deposited into the state highway fund, and any amount collected over \$3 is deposited into the general fund; and
- (2) Of the tour vehicle surcharge tax, the monthly amount collected of \$65 (current amount for the over twenty-five passenger seat category) is deposited into the state highway fund, and any amount over \$65 is deposited into the general fund; and of the monthly amount collected of \$15 (current amount for the eight to twenty-five passenger seat category) is deposited into the state highway fund, and any amount over \$15 is deposited into the general fund.

Your Committees received testimony in support of this measure from the Department of Transportation and Department of Taxation. Testimony in opposition was received from Polynesian Hospitality, Inc.; Royal Star Hawaii; Avis & Budget Rent A Car Hawaii; Alamo Rent A Car, Enterprise Rent-A-Car and National Car Rental; Catrala-Hawaii; Jack's Tours, Inc.; Robert's Hawaii; Hertz Rent A Car; Dollar Rent A Car; and Hawaii Transportation Association. Comments were received from the Tax Foundation of Hawaii. Copies of written testimony are available for review on the Legislature's website.

The \$3 rental motor vehicle surcharge tax was enacted by Act 223, Session Laws of Hawaii 1999. The \$65 and \$15 tour vehicle surcharge tax was part of the original enactment of the statute by Act 263, Session Laws of Hawaii 1991. Your Committees find that the current surcharges need to be adjusted upward to accommodate the growing cost of maintaining roads and highways in the State.

Your Committees are cognizant of the declining revenues in the general fund, as well as the need to increase revenues in the state highway fund. Your Committees find that the state highway fund is in immediate need of an infusion of revenue to cover anticipated expenses of the highway modernization program.

Your Committees have amended this measure by deleting the proposed language that would partially divert surcharge tax revenues to the state general fund.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 698, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 698, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Ige, Sakamoto, Hemmings, Slom).

**SCRep. 81 (Joint) Human Services and Health on S.B. No. 419**

The purpose of this measure is to allow for the seamless transfer of a Medicaid patient who is eligible for long-term care from an acute care facility to a long-term care bed and avoid the patient's loss of the hard-to-come-by long-term care bed by instituting a policy of presumptive Medicaid eligibility for waitlisted patients.

Testimony in support of this measure was received from the Chamber of Commerce of Hawaii, Hawaii Pacific Health, Hawaii Disability Rights Center, Kaiser Permanente, and the Healthcare Association of Hawaii. The Department of Human Services submitted testimony in opposition to the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that many individuals who are eligible for long-term care are waitlisted due to the shortage of available long-term care beds. Waitlisted patients do not receive services appropriate for their requisite level of care, and patients in need of acute care are denied beds that waitlisted patients continue to occupy. Additionally, hospitals that provide acute care services are financially depleted by waitlisted long-term care patients who occupy acute care beds because acute care hospitals are reimbursed according to the level of service required by patients, not the level of service actually provided.

Your Committees further find that many long-term care facilities require that long-term care patients receive Medicaid eligibility determinations prior to being admitted. Delays in processing applications for Medicaid eligibility further lengthen the amount of time a waitlisted patient must remain in an acute care bed. The implementation of a policy of presumptive eligibility for waitlisted patients would allow for more expedient transfers of waitlisted patients from acute care hospitals to long-term care facilities; make more acute care beds available for patients in need of acute levels of care; and ease the financial burden placed on acute care hospitals.

Your Committees have amended the measure as follows:

- (1) Changing the effective date from July 1, 2009, to July 1, 2010;
- (2) Providing that the measure shall be repealed on July 1, 2015;
- (3) Substituting the correct reference to federal law relating to state plans for federal grants for medical assistance under the Social Security Act; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 419, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 419, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Green, Nishihara).

**SCRep. 82 (Joint) Human Services and Health on S.B. No. 917**

The purpose of this measure is to ensure state compliance with section 6035 of the Deficit Reduction Act of 2005 (P.L. 109-171), by strengthening the State's ability to identify and obtain payments from third party payers that are legally responsible to pay for health care services received by Medicaid recipients to pay primary to Medicaid.

Testimony in support of this measure was received by the Department of Human Services. The Hawaii Association for Justice submitted testimony in opposition to the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that Medicaid is designed to be a payer of last resort. However, statutory loopholes allow some third party payers to avoid paying primary to Medicaid. This measure is designed to enhance the Department of Human Services' ability to identify third party payers that are legally responsible to pay for health care services received by Medicaid recipients and obtain payments from such third party payers when appropriate. In so doing, the measure will reduce unnecessary expenditures of state and federal Medicaid funds.



Your Committees have amended this measure as follows:

- (1) Replacing the definition of "third party" with a definition for "first party" in order to substitute the correct term of art, thus clarifying the intent of the measure and avoiding unintended ambiguity; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 917, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 917, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Green, Nishihara).

**SCRep. 83 Human Services on S.B. No. 1329**

The purpose of this measure is to clarify provisions of the early learning system established by Act 14, Special Session Laws of Hawaii 2008, by:

- (1) Authorizing the Hawaii Council of Mayors to name designees for their two representatives on the Early Learning Council;
- (2) Changing the name of the Keiki First Steps Trust Fund to the Early Learning Council Trust Fund; and
- (3) Specifying that moneys in the trust fund shall not lapse at the end of the fiscal year.

Testimony in support of the measure was submitted by the Department of Human Services; the Department of Education; Kamehameha Schools; the Hawaii Association of Independent Schools; and the Good Beginnings Alliance. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the work of the Early Learning Council, created by Act 14, is essential in that it involves development of a comprehensive early childhood education system for the State to coordinate and improve upon the fragmented services currently being offered. Your Committee further finds that it is important to provide the Council with the flexibility and funds it requires to carry on this important mission. To this end, in addition to the clarifications and flexibility offered by the measure as written, the measure should also allow the Governor's appointees to the Council to name designees and permit any unexpended funds from the current appropriation to lapse into the Keiki First Steps Trust Fund/Early Learning Council Trust Fund at the end of the fiscal year.

Your Committee has amended the measure by:

- (1) Allowing representatives on the Early Learning Council who are appointed by the Governor to appoint designees to the Council;
- (2) Changing the name of the fund from the Keiki First Steps Trust Fund to the Early Learning Trust Fund; and
- (3) Clarifying that any unexpended funds in the Early Learning Trust Fund at the end of each fiscal year shall not lapse to the credit of the general fund.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 84 Human Services on S.B. No. 782**

The purpose of this measure is to extend unemployment insurance benefits to workers who are separated from their employment as a result of domestic violence.

The Department of Labor and Industrial Relations submitted comments on the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that victims of domestic violence are frequently unable to maintain employment due to the harmful physical and emotional effects of being abused. Victims are frequently separated from their employment, either voluntarily or involuntarily. For example, a victim may choose to stop working in order to stay at home to protect the victim's minor children from abuse. Alternatively, a victim might be fired due to poor job performance resulting from abuse. In these situations, victims of domestic violence cannot achieve financial independence, and are often unable to escape from abuse.

Your Committee finds that it is important to extend unemployment insurance benefits to victims of domestic violence in order to financially empower them to escape from or minimize physical and emotional injuries. However, the Federal Unemployment Tax Act, which funds the administration of state unemployment insurance and the job services office, funds one-half of the cost of unemployment benefits during periods of high employment; and provides for a fund from which states may borrow to pay benefits, if necessary, requires states to comply with guidelines established by the United States Department of Labor.

Your Committee finds that two provisions of the measure may impair the State's certification to receive funding under the Federal Unemployment Tax Act. In order to avoid jeopardizing the receipt of funding, your Committee has amended the measure as follows:

- (1) Deleting the subsection in the measure that creates an exception for domestic violence victims by excusing them from registering for work and being able and available to work in order to receive unemployment insurance benefits;

- (2) Deleting the section of the measure that extends the non-charging of benefits against the account of any of the individual's base period employers paid in situations where employers discharge victims of domestic violence;
- (3) Inserting a clause to protect against the impairment of federal funds under the Federal Unemployment Tax Act; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 782, S.D. 1, and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 85 (Majority) Human Services on S.B. No. 784**

The purpose of this measure is to require landlords to provide tenants with notice to tenants when foreclosure proceedings of the rental property begin and to further provide sixty days written notice to vacate prior to the rental property being sold in foreclosure.

Testimony in support of this measure was submitted by the Legal Aid Society of Hawaii and the Hawaii Financial Services Association. The Hawaii Board of Realtors submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the growing number of foreclosures in Hawaii is adversely impacting the portion of the State's residents who rent or lease their places of residence. In many cases, tenants do not receive warning that a foreclosure is taking place, denying them the opportunity to locate replacement housing.

Your Committee further finds that the measure's requisite sixty-day notice period is in excess of the notice currently required for landlords to terminate month-to-month rental agreements. Your Committee finds that the forty-five day notice required by chapter 521, Hawaii Revised Statutes, is reasonable, and should apply to this measure. However, if a landlord and tenant enter into a rental contract providing for a longer notice period with respect to foreclosure actions, then the contractual notice period shall be applicable.

Your Committee has amended the measure as follows:

- (1) Reducing the number of days of notice a landlord must provide to a tenant in possession of property that is the subject of a foreclosure proceeding from sixty to forty-five days, provided that if an enforceable rental agreement requires a longer notice period, then the contractually established notice period shall apply; and
- (2) Making technical amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 784, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 784, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Hemmings). Excused, none.

**SCRep. 86 (Majority) Human Services on S.B. No. 809**

The purpose of this measure is to minimize the adverse effects of homelessness on children by establishing a task force to coordinate resources available to homeless children; establishing and making appropriations to the kokua na keiki special fund; and creating an administrative grant program to allow the Department of Human Services to award grants for programs that benefit homeless children.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Office of Youth Services, Hawaii Youth Services Network, and Malama O Kamali'i Makamae. The Department of Human Services, the Department of Budget and Finance, and the State Procurement Office submitted testimony in opposition to the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that homeless children are vulnerable to suffering from negative consequences of homelessness that can adversely impact them for the rest of their life, such as poor health, exposure to violence, poor academic performance, and lack of positive social interactions. A task force that consists of knowledgeable, experienced, and compassionate members can better coordinate and develop resources and services for the State's homeless children.

In light of the current financial crisis, your Committee has amended this measure to provide for appropriations from available federal funds. Additionally, your Committee has amended this measure to adopt recommendations provided by the Office of Hawaiian Affairs, the Office of Youth Services, and the Hawaii Youth Network.

Specifically, your Committee has amended this measure by:

- (1) Providing that an appropriation shall be made only if the Department of Human Services determines that federal funds that can be appropriately expended for the purposes of this measure are available;
- (2) Adopting the recommendations of testifiers to add to the membership of the task force the Office of Youth Services, a representative from the leeward Native Hawaiian community, and a representative from an organization that provides shelter, street outreach, or transitional living services to runaway and homeless youth; and
- (3) Adding the topic of supportive mental services for homeless youth to the task force's discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 809, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Hemmings). Excused, none.

**SCRep. 87 Human Services on S.B. No. 914**

The purpose of this measure is to amend the Hawaii Revised Statutes to conform to the Code of Federal Regulations, 45 Code of Federal Regulations section 261.2(n), relating to the temporary assistance to needy families program.

Testimony in support of this measure was submitted by the Department of Human Services. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this housekeeping measure brings the Hawaii Revised Statutes into conformity with the Code of Federal Regulations relating to the temporary assistance for needy families program by:

- (1) Adding the terms "other work eligible household," "non-work eligible household," and "work-eligible household" to the list of definitions contained in section 346-1, Hawaii Revised Statutes, and deleting from the same section the term "exempt household" to reflect the terminology used in federal regulations; and
- (2) Amending section 346-53, Hawaii Revised Statutes, to incorporate the newly defined terms.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 914, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 88 Human Services on S.B. No. 134**

The purpose of this measure is to ensure that the Department of Human Services is afforded the opportunity to select the best course of action for children held by the Department under temporary foster custody by extending the number of days the Department has to conduct an investigation and requiring the Department to conduct an ohana conference prior to deciding upon a course of action.

Testimony in support of this measure was received from the Department of Human Services and two individuals. The Legal Aid Society of Hawai'i submitted testimony in opposition to this measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that it is important to involve family members in formulating a plan to ensure a child's safety and guarantee adequate supports for the child's family. Ohana conferences will allow more children to remain safely in their homes, provide families with the opportunity to resolve risk and safety issues, and give family members the opportunity to offer input in creating a workable plan tailored to the specific needs of the child and the child's family.

Your Committee further finds that if the length of time the Department of Human Services has to investigate claims of harm to children is extended to five days, a parent would potentially be deprived of custody of his or her child for up to eleven days without an opportunity to be heard. Further, if an ohana conference is mandatory, a parent's right to due process may be violated because information relating to the alleged harm to a child would be provided to ohana conference parties without any court finding as to the harm and without the consent of the parent. Further, the child would be left in the custody of the instigator of the harm or threatened harm for the time it would take to schedule the ohana conference.

Your Committee has amended this measure by:

- (1) Giving legal custodians the option of convening an ohana conference within five days after the assumption of temporary custody of a child; and
  - (A) Ensuring visitation between the child and the legal custodian as soon as possible, but in any event prior to the ohana conference, and;
  - (B) Proceeding by relinquishing or continuing the assumption of custody based on the results of the ohana conference;
- (2) Maintaining the three-day time limit for the Department of Human Services to conduct an investigation of the harm or threatened harm leading to the Department's assumption of custody if the legal custodian does not wish to convene an ohana conference or if the legal custodian cannot be located; and
- (3) Permitting the Department of Human Services to refer child custody matters to other appropriate, authorized agencies which may then file a petition with the courts for custody of the child.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 134, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 134, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 89 Human Services on S.B. No. 851**

The purpose of this measure is to amend sections of the Hawaii Revised Statutes in order to bring the Child Support Enforcement Agency into compliance with federal law, implement cost-saving measures, reduce agency involvement in the enforcement of liens, and protect against the identity theft of obligors.

Your Committee received testimony in support of this measure from the Department of Human Services and the Attorney General. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the state child support enforcement law does not comply with title IV-D of the Social Security Act in that it:

- (1) Provides for the unnecessary expenditure of funds in the disbursement of support moneys to custodial parents and requires original copies of certified mail receipts for proof of service;
- (2) Is ambiguous as to whether other state child support enforcement agencies may enforce child support liens of this State; and
- (3) Exposes obligors to identity theft by requiring an obligor's full social security number on the notice of child support lien.

Your Committee finds that this measure addresses the foregoing concerns as follows:

- (1) Clarifying the requirement that all income withholding payments be sent to the Child Support Enforcement Agency or to another state's child support agency acting under title IV-D of the Social Security Act;
- (2) Allowing the Child Support Enforcement Agency to disburse funds to custodial parents by electronic deposit or debit card to reduce postage costs incurred by mailing support checks;
- (3) Accepting an electronic copy or facsimile of a signature on certified mail receipts as sufficient proof of service in lieu of an actual signature, also saving postage costs;
- (4) Clarifying that the child support enforcement agencies in other states acting under title IV-D of the Social Security Act may directly enforce a child support lien, acknowledging the federal law's provision of full faith and credit to child support liens arising in other states;
- (5) Clarifying that payments from a financial institution may be made directly to the entity seeking to enforce the lien without the involvement of the Child Support Enforcement Agency, provided that the financial institution complies with the State's procedural rules; and
- (6) Requiring that only the last four digits of the obligor's social security number be indicated on the notice of child support lien.

Your Committee has amended this measure by making technical amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 851, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 90 Tourism on S.B. No. 271**

The purpose of this measure is to ensure that tourism-related industries are able to appropriately respond to a national or global economic crisis that adversely impacts the tourism industry.

Specifically, this measure includes a national or global economic crisis to situations considered a tourism emergency. The measure further requires that, with regards to a national or global economic crisis only, and in addition to the Governor's declaration of the existence of a tourism emergency, no action may be taken by the Hawaii Tourism Authority without the Governor's express approval.

Your Committee received testimony in support of this measure from Department of Business, Economic Development, and Tourism, the Hawaii Tourism Authority, the Hawaii Hotel and Lodging Association, and Outrigger Hotels. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the current economic crisis is adversely affecting the State's tourism industry and economy, causing high rates of unemployment specifically within the tourism industry. Your Committee finds that authorizing access to the tourism emergency fund for this purpose will help attract visitors to the State and keep residents of Hawaii employed.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 271, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Slom).

**SCRep. 91 Economic Development and Technology on S.B. No. 523**

The purpose of this measure is to increase opportunities under the High Technology Research and Development Loan and Grant Program.

Specifically, this measure increases the level of the State's matching awards for small business innovative research and small business technology transfer research to fifty per cent of the federal awards and to clarify that the High Technology Research and Development Grant Program shall provide grants to any business in Hawaii that applies or receives a Federal Small Business Innovation Research award or grant or receives a Small Business Technology Transfer Program award. This measure also provides the High Technology Development Corporation with the discretion to transfer funds from the Hawaii Capital Loan Revolving Fund to the High Technology Development Corporation.

Testimony in support of this measure was submitted by one private organization. Comments on this measure were submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the level of the State's matching awards to small business innovative research and small business technology transfer research is only equal to twenty-five per cent of the federal awards. The original intent of the enactment of section 206M-15, Hawaii Revised Statutes, was to match fifty per cent of the federal awards. Your Committee further finds that increasing the State's matching funds will strengthen the innovation of small businesses in Hawaii and promote acceleration of the small businesses to successful commercialization.

Your Committee has amended this measure by:

- (1) Deleting the reference to the Hawaii Capital Loan Revolving Fund; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 523, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 523, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 92 (Joint) Education and Housing and Labor on S.B. No. 165**

The purpose of this measure is to clarify that public school cafeteria workers employed after July 1, 2009, will be compensated for a ten-month period and compensation will be prorated over a twelve-month period. Cafeteria workers employed prior to July 1, 2009, will continue to receive compensation over a twelve-month period.

Testimony in support of this measure was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committees have heard that the gradual conversion of cafeteria workers from 12-month positions to 10-month positions will slow the rate of increase of Department of Education food service costs without affecting current employees. The Department anticipates that the 10-month positions will reduce the need for substitutes, as 12-month cafeteria workers may take their vacation at any time, which necessitates the hiring of substitutes if the cafeteria is operating. Ten-month cafeteria workers, like teachers, will not take vacation while school is in session.

While your Committees understand the intent of the measure, members raised concerns regarding the 10- and 12-month designation. The school calendar has undergone a number of changes in recent years, and is likely to do so again. Specifying a 10-month period may require the Department to amend the law should the school calendar change significantly.

Your Committees have amended this measure to give the Department more flexibility by changing the references of a 10-month period to school-year period and of a 12-month period to calendar-year period.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 165, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 165, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Hee, Kidani, Hemmings, Slom).

**SCRep. 93 Commerce and Consumer Protection on S.B. No. 850**

The purpose of this measure is to help deter the fraudulent use of notary seals or stamps by requiring that a notary public's commission number be included on the notary public's official seal or stamp.

Your Committee received testimony in support of this measure from the Department of the Attorney General and one private citizen. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that including a notary public's commission number on the notary public's official seal or stamp will help prevent fraud by making it easier to identify the individual who purportedly notarized particular documents and to track the activity of notaries public over time. Your Committee further finds that the cost to individual notaries public of replacing official stamps and seals is minimal.

Your Committee has amended this measure by making one technical, nonsubstantive change to reflect existing statutory language accurately.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 850, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 94 Commerce and Consumer Protection on S.B. No. 203**

The purpose of this measure is to require that the Regulated Industries Complaints Office (RICO) of the Department of Commerce and Consumer Affairs issue a citation and a cease and desist order when an investigator determines that a person is acting as a contractor without a valid license and to amend penalty amounts for violations.

Your Committee received testimony in support of this measure from Iron Workers Stabilization Fund and Hawaii Building Construction Trades Council, AFL-CIO; and Subcontractors Association of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office; General Contractors Association of Hawaii; and Building Industry Association-Hawaii.

Copies of written testimony are available for review on the Legislature's website.

Under current law, RICO investigators have discretion to issue a citation, which includes a cease and desist order, to persons acting as contractors without the appropriate license or to pursue a remedy through a criminal or civil action in the circuit court. According to testimony from RICO, a citation is not always an appropriate tool to enforce compliance. A citation is designed to put an immediate stop to observed, ongoing activity; however, some violations are discovered "off-scene" such as during a review of documents. Additionally, a citation, unlike a circuit court action, does not allow for additional remedies such as restitution to affected consumers. Finally, current law already provides for fines to enforce compliance with licensing requirements. The penalties contained in this measure are inconsistent with existing fines.

Your Committee has adopted the recommendations of RICO to amend section 1 of this measure to allow an investigator to retain discretion to issue a citation, to clarify the cease and desist provision in a citation, and to increase the statutory penalties for violation of the contractor licensing requirements. Your Committee has also amended the effective date of this measure to provide an opportunity for further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 203, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 95 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1316**

The purpose of this measure is to abolish the Aloha Tower Development Corporation and transfer its responsibilities and functions to the Department of Business, Economic Development, and Tourism.

Testimony providing comments was submitted by two state agencies. One organization submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of the state government is necessary to ensure that all available avenues have been explored to accomplish more with fewer resources.

Your Committee has amended this measure by amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1316, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Tokuda). Noes, none. Excused, 2 (Takamine, Hemmings).

**SCRep. 96 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1088**

The purpose of this measure is to further protect residents from obstruction of public access and to create a private right of action to enforce public access in the courts.

Testimony in support of this measure was submitted by two organizations and one hundred and twenty-four public citizens. One state agency submitted comments, and one state agency submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that, although public access is protected by state law, development pressure is making it difficult for residents to access beach and shoreline areas. On O'ahu, insufficient public access to the shore has prompted multiple studies by State agencies to address conflicts developing between beachfront property owners and the general public. Similarly on Maui, coastline development plans have raised the issue of adequate public access to the beach from Paia through Baldwin beaches. On Kaua'i, public access routes have not been claimed by either the State or the County and are obstructed, preventing public access to the shoreline.

Your Committee further finds that providing a private right of action to enforce public access will allow communities to enforce laws when the agencies responsible lack necessary resources or are unresponsive. This measure ensures needless litigation does not occur by requiring that notice and opportunity to cure the violation are given to the violator prior to the filing of a lawsuit.

Your Committee has amended this measure by making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1088, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Takamine, Hemmings).

**SCRep. 97 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 579**

The purpose of this measure is to ensure the constitutionally- and ethically-mandated preservation of the Native Hawaiian language and culture by requiring that all state and county documents, letterheads, symbols, and emblems, when newly created, replaced, or reprinted, contain the accurate, appropriate, and authentic Hawaiian names and language.

Testimony in support of this measure was submitted by one organization and four public citizens. One state agency supported the intent of the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the State reaffirmed Hawaiian as one of its official languages in 1978, and since that time the Legislature has backed efforts to incorporate the Hawaiian language into official state writings, emblems, and signs. This measure will ensure that these public inscriptions are mandatory, accurate, and spelled correctly, using the proper Hawaiian macrons and glottal stops.

Your Committee has adopted the recommendation of the Department of Accounting and General Services to amend the measure by changing the term "language" to the term "word" in section 1-13.5, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 579, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Takamine, Hemmings).

**SCRep. 98 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1141**

The purpose of this measure is to require the Department of Land and Natural Resources to offer for sale to leaseholders parcels of Sand Island.

Testimony in support of this measure was submitted by one organization. Two state agencies submitted comments. Testimony in opposition was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the Department of Land and Natural Resources entered into a fifty-five year lease with the Sand Island Business Association which covers approximately seventy-four acres and was divided into one hundred and twelve lots known as the Sand Island Industrial Park. The lease required the Sand Island Business Association to develop the infrastructure improvements, sublease the lots to existing lessees, and manage the Sand Island Industrial Park on behalf of the Department of Land and Natural Resources. In 1999, the Sand Island Business Association completed the infrastructure improvements at a cost of more than forty-one million dollars. The members of the Sand Island Business Association have invested more than twenty million dollars in leasehold improvements to the individual lots.

Recently, members of the Sand Island Business Association have expressed a strong interest in purchasing the fee interest of their leasehold lots to secure their substantial investment in the Sand Island Industrial Park. Additionally, as the lease period shortens, it becomes more difficult to rely upon the leasehold as an asset when attempting to secure bank loans for improvements.

According to the Department of Land and Natural Resources, Sand Island is not ceded land. According to the *Final Report on the Public Land Trust*, published by the Office of the Legislative Auditor in 1986, Sand Island was essentially built by filling the reefs within the Mokauea and Kaholoa fishing grounds. In 1959 many parties were vying for control of Sand Island, and on August 20, one day before statehood, title to the two hundred and two acres of Sand Island was transferred to the Territory by Presidential Executive Order No. 10833. Since the Presidential Executive Order returning the two hundred and two acres to Hawaii was signed before Hawaii became a state, the acreage is listed in the state inventory as having been received by Hawaii under section 5(a) of the Admission Act. As section 5(a) land, the two hundred and two acre site is not subject to the section 5(f) trust or to chapter 10, Hawaii Revised Statutes.

Your Committee understands that the Department of Land and Natural Resources relies upon the lease revenue from the Sand Island Industrial Park to support operations and management of public lands programs. Your Committee further understands that the lease revenue constitutes nearly one half of all lease revenues supporting the Special Land and Development Fund.

Your Committee has amended this measure by:

- (1) Requesting that an exchange of lands be considered to prevent the Department of Land and Natural Resources from losing the revenue stream required for operations;
- (2) Requiring that any offer of sale or exchange be made within one year of the effective date of the measure;
- (3) Requiring that any agreement of sale be subject to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives or by majority vote of both in any regular or special session following the date of the Board of Land and Natural Resources' approval in principle of the sale; and
- (4) Making technical, nonsubstantive changes for consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, as amended herein, and recommends

that it pass Second Reading in the form attached hereto as S.B. No. 1141, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Kokubun). Noes, 1 (Tokuda). Excused, 1 (Hemmings).

**SCRep. 99 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 643**

The purpose of this measure is to transfer all authority to manage, administer, and exercise control over Kahana Valley State Park from the Department of Land and Natural Resources to the Department of Hawaiian Home Lands.

Testimony in support of the intent was submitted by four public citizens. Two state agencies submitted comments. Twenty-seven public citizens submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

In 1965, the State condemned the ahupua'a o Kahana for use as a state park, making it the only landowner in the State of Hawai'i, outside of the Robinson family on Ni'ihau, to own an intact ahupua'a. An ahupua'a, a triangular slice of land running from the mountains to the ocean, was the major land division used by pre-contact Hawaiians, as it included all of the elements necessary for their existence: the uplands, the lowlands, the shore, and the ocean.

While the families living in Kahana at the time of the condemnation were of varied ethnic backgrounds, many of them were Native Hawaiian, and the people of Kahana in general lived a simple, subsistence lifestyle in harmony with Native Hawaiian values and traditions. The people of Kahana lobbied the Legislature after the condemnation to allow them to stay in Kahana and preserve this rural Native Hawaiian-influenced lifestyle. In 1970, a Governor's task force proposed the concept of a living park that would allow the families to stay and in some way participate in the park. The Governor recommended the concept to the Department of Land and Natural Resources. The residents were allowed to stay on the land under revocable leases.

The State determined that, as a condition of their lease, each Kahana family would contribute twenty-five hours of interpretive services per month to the park, to preserve, restore, and share the history and rural lifestyle of the ahupua'a with the public.

Act 5, Session Laws of Hawaii 1987, authorized the Department of Land and Natural Resources to issue long-term residential leases to persons who had lived continuously in Kahana Valley or had permits allowing them to reside on certain parcels of land within Kahana Valley. As a condition of holding a lease, these qualified persons agreed to participate in interpretive programs in Kahana Valley State Park.

Thirty-one original families qualified for the long-term residential leases. However, descendants of six families that did not originally qualify for long-term residential leases remained in Kahana Valley State Park. The Department of Land and Natural Resources recently started eviction actions against these six families.

Your Committee finds that the residents of Kahana Valley should have a meaningful say in planning the future of Kahana Valley State Park. Your Committee urges the Department of Land and Natural Resources to engage in a dialogue with the residents and lineal descendants on the issues raised during testimony. Kahana Valley is a unique residential and cultural site, and it is understandable that those who are connected with Kahana Valley want to return as lessees. Your Committee notes that the six families who have eviction actions against them should have the opportunity to reconcile their issues.

Your Committee has amended this measure by:

- (1) Adopting a testifier's recommendation to increase the lease term length from sixty-five years to ninety-nine years to conform with the Department of Hawaiian Home Lands practice; and
- (2) Making technical, nonsubstantive changes for style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 643, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 643, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Fukunaga).

**SCRep. 100 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 638**

The purpose of this measure is to establish a two year moratorium on evictions of residents from Kahana Valley State Park, and establish a master plan advisory committee to create a living park master plan for Kahana Valley State Park.

Testimony in support of this measure was submitted by one state agency and four public citizens. One public citizen supported the intent of the measure, and one state agency submitted comments. Twenty-five public citizens submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

In 1965, the State condemned the ahupua'a o Kahana for use as a state park, making it the only landowner in the State of Hawai'i, outside of the Robinson family on Ni'ihau, to own an intact ahupua'a. An ahupua'a, a triangular slice of land running from the mountains to the ocean, was the major land division used by pre-contact Hawaiians, as it included all of the elements necessary for their existence: the uplands, the lowlands, the shore, and the ocean.

While the families living in Kahana at the time of the condemnation were of varied ethnic backgrounds, many of them were Native Hawaiian, and the people of Kahana in general lived a simple, subsistence lifestyle in harmony with Native Hawaiian values and traditions. The people of Kahana lobbied the legislature after the condemnation to allow them to stay in Kahana and preserve this rural Native Hawaiian-influenced lifestyle. In 1970, a Governor's task force proposed the concept of a living park that would allow the families to stay and in some way participate in the park. The Governor recommended the concept to the Department of Land and Natural Resources. The residents were allowed to stay on the land under revocable leases.



The State determined that as a condition of their lease each Kahana family would contribute twenty-five hours of interpretive services per month to the park, to preserve, restore, and share the history and rural lifestyle of the ahupua'a with the public.

Act 5, Session Laws of Hawaii 1987, authorized the Department of Land and Natural Resources to issue long-term residential leases to persons who had lived continuously in Kahana Valley or had permits allowing them to reside on certain parcels of land within Kahana Valley. As a condition of holding a lease, these qualified persons agreed to participate in interpretive programs in Kahana Valley State Park.

Thirty-one original families qualified for the long-term residential leases. However, descendants of six families that did not originally qualify for long-term residential leases remained in Kahana Valley State Park. The Department of Land and Natural Resources recently started eviction actions against these six families.

Your Committee finds that Kahana Valley State Park serves the whole community. Interpretive programs designed and offered by lease holders, residents, and lineal descendants of Kahana Valley provide students of all ages, from the university level to elementary, the opportunity to experience the traditional Hawaiian lifestyle. The interpretive programs are a successful collaboration thanks to the tireless efforts of lease holders, residents, and lineal descendants.

Your Committee has heard from many lineal descendants of Kahana Valley families who want to return. One public citizen, whose family resided in Kahana Valley since the 1800's, served in the Army for twenty years before returning. Now, that public citizen travels daily to Kahana Valley to maintain his father's taro field and participate in interpretive programs. There is no opportunity for kupuna to return to Kahana Valley, which the public citizen notes is necessary to perpetuate the culture and teach younger generations.

Your Committee understands that many participants in interpretive programs are lineal descendants of Kahana Valley families who do not qualify for long-term leases under Act 5, Session Laws of Hawaii 1987, as amended, and that the criteria used to determine long-term lease eligibility needs to be addressed in a collaborate setting.

Your Committee further finds that the lease holders, residents, and lineal descendants of Kahana Valley should have a meaningful say in planning the future of Kahana Valley State Park. Your Committee urges the Department of Land and Natural Resources to engage in a dialogue with the residents and lineal descendants on the issues raised during testimony. Kahana Valley is a unique residential and cultural site, and it is understandable that those who are connected with Kahana Valley want to return as lessees. Your Committee notes that the six families who have eviction actions against them should have the opportunity to reconcile their issues.

Your Committee has amended this measure by:

- (1) Renaming the master plan advisory committee as the planning council;
- (2) Increasing the membership of the planning council;
- (3) Providing that the planning council consider lineal descendants of Kahana Valley for long-term leases in the development of the living park master plan; and
- (4) Making technical, nonsubstantive changes for clarity and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Fukunaga).

**SCRep. 101 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1317**

The purpose of this measure is to abolish the Agribusiness Development Corporation and transfer its responsibilities and functions to the Department of Agriculture.

Testimony in opposition of this measure was submitted by two state agencies and five organizations. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of the state government is necessary to ensure that all available avenues have been explored to accomplish more with fewer resources.

Your Committee has amended this measure by amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1317, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Tokuda). Excused, 2 (Takamine, Hemmings).

**SCRep. 102 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 582**

The purpose of this measure is to prevent the disenfranchising of Native Hawaiians from their familial lands by having the title to any unclaimed kuleana lands held in trust in the Office of Hawaiian Affairs until rightful descendants can be found.

Specifically, the purpose of this measure is to:

- (1) Make the Office of Hawaiian Affairs the trustee of any unclaimed kuleana lands;

- (2) Provide a mechanism whereby descendants of native tenants may make a claim with the Office of Hawaiian Affairs for unclaimed kuleana lands; and
- (3) Prohibit quiet title actions or adverse possession claims for kuleana lands.

Testimony in support of this measure was submitted by one organization and one public citizen. One state agency and one organization supported the intent of this measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that there have been countless historical instances of persons using various means to disenfranchise Native Hawaiian families and longtime kama'aina from their family kuleana lands. This practice continues today through various legal practices. The system of traditional land and ocean resource management used in Hawai'i relied on natural contours of the land for geographical boundaries. These boundaries are often affected by adverse possession of kuleana lands.

Your Committee further finds that the Office of Hawaiian Affairs is the appropriate agency to serve as trustee because of their deep commitment to the protection of rights to kuleana lands.

Your Committee has amended this measure by:

- (1) Amending section 560:2-105.5, Hawaii Revised Statutes, to conform the probate code to the requirements of this measure; and
- (2) Making technical, nonsubstantive changes for style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 582, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 582, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Kokubun, Takamine).

**SCRep. 103 (Joint/Majority) Human Services and Labor on S.B. No. 1183**

The purpose of this measure is to conform the State's laws to the Americans with Disabilities Act Amendments Act of 2008, P.L. 110-325, by broadening the types of disabilities that are protected against employment discrimination.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities; the Disability and Communication Access Board; the Hawaii Civil Rights Commission; the Hawaii Disability Rights Center; and one individual. The Department of Human Services submitted comments on the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that the Americans with Disabilities Act Amendments Act expanded the definition of "disability," resulting in certain federal law protections that are stronger than corresponding protections currently provided under Hawaii law. In order to conform to federal law, Hawaii must broaden its relatively narrow definition of disability. The United States Supreme Court has found that such conformity is required of the states, holding in California Federal Sav. And Loan Ass'n v. Guerra, 479 U.S. 272, 107 S.Ct. 683 (1987), that federal law offers the minimum level of protection beneath which state law may not fall.

Your Committees note suggestions made by the Hawaii Civil Rights Commission, including:

- (1) Amending the definition of "disability" in the administrative rules rather than in the Hawaii Revised Statutes;
- (2) Waiting for the United States Equal Employment Opportunity Commission to develop regulations defining various terms contained within the Americans with Disabilities Act Amendments Act, and conforming the Hawaii Civil Rights Commission's rules to federal regulations;
- (3) Providing sufficient time for the Hawaii Civil Rights Commission to review and consider the Equal Employment Opportunity Commission regulations when amending its own rules; and
- (4) Obtaining public input during the rulemaking process, with the potential for creating stronger protections than those provided under federal law.

Your Committees have amended this measure by making technical amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1183, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1183, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Hemmings). Excused, 2 (Ihara, Slom).

**SCRep. 104 (Joint) Transportation, International and Intergovernmental Affairs and Commerce and Consumer Protection on S.B. No. 101**

The purpose of this measure is to allow the county agencies responsible for taxicab regulation to conduct criminal history records checks on taxicab drivers and applicants for taxicab driver's certificate.

Your Committees received testimony in support of this measure from the Hawaii State Association of Counties, one Maui County Council Member, and Charley's Taxi. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that taxicab drivers interact on a personal basis with each customer. Your Committees are concerned that such interaction may pose a risk to the public if the taxicab driver has a criminal record, such as a conviction for a crime involving physical or sexual assault. This measure alleviates the problem by allowing the taxi company employer to access the applicant's or driver's criminal history.

Your Committees have amended this measure to change the effective date to July 1, 2050, to facilitate continuing discussions on this matter.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 101, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 101, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Ige, Sakamoto, Hemmings, Slom).

**SCRep. 105 Education and Housing on S.B. No. 1669**

The purpose of this measure is to authorize the issuance of general obligation bonds to fund Department of Education repair and maintenance projects.

Testimony in support of this measure was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the backlog of repair and maintenance at Department of Education schools and other facilities has not been adequately addressed and that, in many cases, this has a detrimental effect on student learning. Your Committee further finds that while the State's economic stimulus plan includes nearly \$318,000,000 for public school and library projects previously approved by the Legislature, much more is needed. Addressing the repair and maintenance backlog will require additional funding sources and greater flexibility in expending those funds.

Your Committee has amended this measure accordingly, by:

- (1) Designating the bond authorization sections of the measure as part I;
- (2) Extending the lapse date on the moneys appropriated in fiscal year 2011-2012 to June 30, 2014; and
- (3) Adding a new part II, to provide a temporary procurement exemption from chapters 103 and 103D, Hawaii Revised Statutes, to the Department of Education in order to expedite repair and maintenance capital improvement projects.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1669, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1669, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 106 Education and Housing on S.B. No. 139**

The purpose of this measure is to propose a constitutional amendment to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist not-for-profit organizations that support charter schools.

Testimony in support of this measure was submitted by one state agency, four charter schools, and two private organizations. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure would address one of the major expenses of running a charter school – facilities costs. A related measure, S.B. No. 140, would authorize the issuance of special purpose revenue bonds to not-for-profit organizations that support charter schools. Your Committee notes that such bonds are already authorized for not-for-profit private schools and early childhood education and care facilities.

Your Committee has heard the concerns raised by the Department of Budget and Finance regarding federal tax implications and the ability of not-for-profit organizations to generate sufficient revenue for debt service repayment, and urges the parties to work together to resolve these issues.

Your Committee has amended this measure accordingly, by:

- (1) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion; and
- (2) Making technical amendments to reflect the preferred Ramseyer style.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 139, S.D. 1, and be referred to the Committees on Ways and Means and Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 107 Education and Housing on S.B. No. 140**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to not-for-profit organizations that support charter schools.

Testimony in support of this measure was submitted by one state agency, three charter schools, and two private organizations. Two state agencies submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure would address one of the major expenses of running a charter school – facilities costs. A related measure, S.B. No. 139, proposes a constitutional amendment to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist not-for-profit organizations that support charter schools. Your Committee notes that such bonds are already authorized for not-for-profit private schools and early childhood education and care facilities.

Your Committee has heard the concerns raised by the Department of Budget and Finance regarding federal tax implications and the ability of not-for-profit organizations to generate sufficient revenue for debt service repayment, and urges the parties to work together to resolve these issues.

Your Committee has amended this measure by amending the effective date to July 1, 2040, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 140, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 108 (Majority) Education and Housing on S.B. No. 1278**

The purpose of this measure is to:

- (1) Prohibit movement of junior kindergarten and kindergarten students between tiers, except under certain circumstances;
- (2) Prohibit a junior kindergartener from directly graduating to the first grade;
- (3) Establish a separate curriculum for the junior kindergarten program;
- (4) Require the Department of Education to staff junior kindergartens with qualified preschool teachers and teacher aides; and
- (5) Appropriate funds for the implementation of a junior kindergarten program with a certain student-teacher ratio.

Testimony in support of this measure was submitted by one private organization and six individuals. Testimony in opposition was submitted by two state agencies, one private organization, and one school. Copies of written testimony are available for review on the Legislature's website.

Your Committee understands that the nature of the developmental learning sequence of young children is very dynamic. Young students who appear to be behind their peers at the beginning of the year may in fact catch up and be fully prepared for entrance into the first grade by the end of the school year. Your Committee has heard a number of concerns by the Department of Education regarding this measure, in particular the prohibition to advance a junior kindergartener to grade one in a year.

Your Committee notes that the Department is committed to developing appropriate assessment protocols that may be used to screen a child for areas of readiness, as well as areas of skill and knowledge development.

Your Committee has amended this measure accordingly, by:

- (1) Allowing a junior kindergarten student to graduate directly to the first grade under certain circumstances;
- (2) Removing references to preschool teacher aides, as these are not preschool programs;
- (3) Clarifying the minimum standards for teachers and teacher aides; and
- (4) Adding appropriations for teacher professional development to address curricular, instructional, and assessment practices in a two-tiered kindergarten, with a focus on junior kindergarten.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1278, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1278, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Galuteria).

**SCRep. 109 Education and Housing on S.B. No. 1118**

The purpose of this measure is to provide additional incentives for the development of affordable housing by increasing the low-income housing tax credit from a one-time credit of fifty per cent to a one hundred per cent credit taken over five years.

Testimony in support of this measure was submitted by three private organizations. Testimony in opposition was submitted by two state agencies. One private organization submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committee further finds that while the federal economic stimulus legislation will provide some relief, much more needs to be done at the state level. Your Committee has heard and approved a wide range of proposed affordable housing initiatives and encourages further legislative discussions on the proposal in this measure.

Your Committee has amended this measure by deleting its content and replacing it with the language in S.B. No. 861. As amended this measure shortens the period over which the state low-income housing tax credit can be taken from ten years to five years, thus allowing taxpayers to claim larger tax credit amounts over a shorter period of time.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1118, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Galuteria).

**SCRep. 110 Education and Housing on S.B. No. 1119**

The purpose of this measure is to provide incentives for the production of affordable housing by authorizing the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority to transfer development rights and credits pursuant to conditions to be established by rule.

Testimony in support of this measure was submitted by three state agencies and two private organizations. Comments were submitted by one state agency and one county agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents, and that all alternatives should be considered.

Your Committee has heard a number of concerns regarding the implementation of this measure, however, and agrees that there are a number of issues still to be resolved.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the authorization for the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority to transfer development rights and credits, and extending that authorization to the Office of Planning;
- (2) Establishing a working group within the Office of Planning to develop a plan and recommendations to enhance and encourage the development of affordable housing, as defined in section 201H-57, Hawaii Revised Statutes, through the transfer of development rights and credits to transit-oriented development districts; and
- (3) Requiring the Office of Planning to report to the 2010 Legislature on the plan and recommendations.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1119, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Galuteria).

**SCRep. 111 Education and Housing on S.B. No. 100**

The purpose of this measure is to allow a county legislative body ninety instead of forty-five days to approve, approve with modifications, or disapprove an affordable housing project.

Testimony in support of this measure was submitted by five county agencies. Testimony in opposition was submitted by two state agencies, two county agencies, and five private organizations. Copies of written testimony are available for review on the Legislature's website.

Your Committee has heard that county legislative bodies have a difficult time meeting the forty-five day decision requirement. The counties have noted that the forty-five day limit does not provide time for responsible review, as much of the time that should be spent evaluating a project is consumed by the notice requirements under chapter 92, Hawaii Revised Statutes.

Your Committee understands that there may be extenuating circumstances that would preclude the counties from adequate consideration of affordable housing projects, but your Committee does not want to delay all projects in a time of such critical need for affordable housing. Your Committee urges the counties to work with the Hawaii Housing Finance and Development Corporation to determine what circumstances might allow the Corporation to extend the review period to sixty days.

Your Committee has amended this measure accordingly, by authorizing the legislative body to request that the corporation approve an extension to sixty days if the legislative body determines that circumstances require additional time for review.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 100, as amended herein, and recommends that it pass Second Reading

in the form attached hereto as S.B. No. 100, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 112 Education and Housing on S.B. No. 757**

The purpose of this measure is to authorize and appropriate funds for the Hawaii Housing Finance and Development Corporation to establish a shelter in place pilot program to provide a subsidy, including grants, loans, and no-interest loans, to low- and moderate-income homeowners and renters that are at risk of losing their home or rental due to a job loss or loss of work hours.

Testimony in support of this measure was submitted by one county agency, two private organizations, and one individual. Testimony in opposition was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committee further finds that the federal economic stimulus legislation may provide some funding for initiatives such as those in the shelter in place program and encourages further legislative discussions on the proposal in this measure.

Your Committee has amended this measure by:

- (1) Placing the pilot program under the Hawaii Public Housing Authority; and
- (2) Authorizing the Hawaii Public Housing Authority to contract for services to implement the project, which will allow the Hawaii Public Housing Authority to respond in a more timely manner.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 113 Education and Housing on S.B. No. 862**

The purpose of this measure is to facilitate the collection of the shared appreciation equity lien, deferred sales price lien, and excess proceeds in lieu of any buyback, imposed by the State on the sale of affordable housing properties that received assistance from the Hawaii Housing Finance and Development Corporation ("Corporation"), which are undergoing foreclosure.

Testimony in support of this measure was submitted by one state and one county agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the sale of affordable housing properties sponsored or assisted by the Hawaii Housing Finance and Development Corporation is subject to a buyback restriction and a shared appreciation equity lien. The Corporation has also provided deferred sales price liens to assist low or moderate income homebuyers in purchasing a first home, and upon the sale or transfer of a Corporation-assisted home, the shared appreciation equity is collected and deposited into the dwelling unit revolving fund, and can be used to support the development of additional affordable housing projects.

Your Committee further finds that recently, the Corporation has not been receiving sufficient prior notice of foreclosure proceedings, and the lack of sufficient advance notice makes it difficult to prepare to bid at foreclosure sales. This measure would require notice of intent to foreclose forty-five days before commencement of the foreclosure and allow the Corporation sufficient time to conduct due diligence and, when appropriate, prepare to bid at the foreclosure sale.

In addition, passage of this bill will protect the Corporation's lien rights in the event of foreclosure, and enable recovery of funds to support the development of additional housing.

Your Committee has amended this measure by making technical amendments for the purpose of clarity and to conform to the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 862, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 862, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 114 Education and Housing on S.B. No. 440**

The purpose of this measure is to require counties to accept or reject a public infrastructure dedication, under specified conditions, as part of an affordable housing project, or the infrastructure is deemed dedicated.

Testimony in support of this measure was submitted by two state agencies and four private organizations. Three county agencies submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committee further finds that while the federal economic stimulus legislation will provide some relief, much more needs to be done at the state level. Your Committee has heard and approved a wide range of proposed affordable housing initiatives and encourages further legislative discussions on the proposal in this measure.

Your Committee has amended this measure to require that the dedicated infrastructure conform to county building codes in effect at the time of construction.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 440, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 115 Education and Housing on S.B. No. 755**

The purpose of this measure is to authorize the Hawaii Community Development Authority to process an application for subdivision and consolidation of land for a planned development project with at least twenty per cent of the total number of dwelling units in the project reserved for sale or rental to qualified persons as determined by the Authority.

Testimony in support of this measure was submitted by one state agency and two private organizations. Testimony in opposition was submitted by one county agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents, and that all alternatives should be considered.

Your Committee believes that the amendments made to this measure strengthen the State's commitment to increasing affordable housing development in Hawaii.

Your Committee has amended this measure to:

- (1) Authorize the Hawaii Community Development Authority to process an application for subdivision and consolidation of land for a planned development project:
  - (A) On a development lot between 20,000 and 80,000 square feet with at least twenty per cent of the total number of dwelling units in the project reserved for sale or rental to qualified persons as determined by the Authority; and
  - (B) On a development lot greater than 80,000 square feet with at least twenty-five per cent of the total number of dwelling units in the project reserved for sale or rental to qualified persons as determined by the Authority; and
- (2) Clarify that the measure does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 755, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 755, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Galuteria).

**SCRep. 116 (Joint/Majority) Higher Education and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 502**

The purpose of this measure is to authorize the Board of Regents of the University of Hawai'i to:

- (1) Charge fees and enter into lease agreements for the Mauna Kea lands under its control;
- (2) Adopt rules to regulate public and commercial activities on Mauna Kea lands;
- (3) Establish and collect administrative fines for violations; and
- (4) Establish a Mauna Kea lands management special fund to assist the University of Hawai'i in its task of regulating the use of the Mauna Kea lands.

Testimony in support of this measure was submitted by the University of Hawai'i System; Department of Business, Economic Development, and Tourism; and Association of Hawaiian Civic Clubs. KAHEA, the Hawaiian-Environmental Alliance; Sierra Club Hawai'i Chapter; and four individuals submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that the issues surrounding the Mauna Kea lands are complex and varied, ranging from native Hawaiian rights and the use of ceded lands; the economic benefits of Mauna Kea lands activities; jurisdictional responsibilities; financial management; land and natural resource management; infrastructure requirements; and the balance of short-term needs and long-range planning.

Your Committees further find that there have been extensive efforts to address these issues, including the 1995 Revised Management Plan, adopted by the Board of Land and Natural Resources, for the University of Hawai'i Management Areas on Mauna Kea, which assigns management and enforcement responsibilities of public and commercial use and institutes commercial use and management controls; the University of Hawai'i Mauna Kea Science Reserve Master Plan 2000 Master Plan, adopted by the Board of Regents as the policy framework for the responsible stewardship and use of university-managed lands on Mauna Kea; and the Comprehensive Management Plan for Mauna Kea, which is currently in public review.

Your Committees fully understand that there will not be agreement by all the parties. As with any complex issue, compromise is not always possible. Your Committees commend those involved with developing the Comprehensive Management Plan for Mauna Kea for their good faith efforts to hear – if not resolve – problems and concerns. It is the hope of the Committees that all efforts to engage and address the concerns of stakeholders will continue.

Your Committees have heard representatives of the University of Hawai'i agree that past management of the Mauna Kea lands has been problematic. Your Committees believe that this acknowledgement is a significant step forward in resolving at least some of the concerns raised both in this measure and in the various planning efforts related to Mauna Kea lands.

Your Committees would term this measure a “work in progress”. In addition to the amendments below, your Committees believe that the area of jurisdiction should be further defined as this measure moves forward. Your Committees concur that the following amendments begin to focus and clarify the authority that would be granted to the Board of Regents, and ensure that the Board acts in consultation with other entities.

Your Committees have amended this measure accordingly, by:

- (1) Requiring the Board of Regents, in adopting rules, to:
  - (A) Strive for consistency with the provisions of the administrative rules of the Division of Forestry and Wildlife of the Department of Land and Natural Resources related to forest reserves and natural area reserves, as such designated lands currently exist on Mauna Kea lands; and
  - (B) Consult with the Office of Hawaiian Affairs to ensure that these rules shall not affect any right, customarily and traditionally exercised for subsistence, cultural, and religious purposes and possessed by ahupua'a tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the right of the State to regulate such rights;
- (2) Requiring the Board of Regents to set and assess fines in consultation with the office of Hawaiian affairs;
- (3) Requiring the Board of Regents to report annually to the Legislature on the Mauna Kea lands activities, current and pending lease agreements and fees, the status of current and pending administrative rules, income and expenditures of the Mauna Kea lands special fund established in section 304A-F, Hawaii Revised Statutes, and any other issues that may impact the activities of the Mauna Kea lands;
- (4) Amending the purpose section to reflect these changes;
- (5) Amending the effective date to July 1, 2025, for the purpose of encouraging further discussion; and
- (6) Making technical amendments to correct drafting errors.

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 502, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 502, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, 1 (Slom). Excused, 1 (Hemmings).

**SCRep. 117 (Joint) Higher Education and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1179**

The purpose of this measure is to require the University of Hawai'i, College of Tropical Agriculture and Human Resources, in cooperation with the Department of Agriculture and the Hawaii Farm Bureau Federation, to conduct a feasibility study on the potential for establishing a Farm to School program in Hawai'i's public schools.

Testimony in support of this measure was submitted by the University of Hawai'i System, Department of Education, Hawaii Farm Bureau, Maui County Farm Bureau, Kokua Hawai'i Foundation, and seven individuals. The Department of Agriculture submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that the Farm to School program is a well established national program. Kokua Hawai'i Foundation has piloted efforts to develop this program in the State. Currently, three schools participate in the Farm to School program: Aikahi Elementary, Moanalua Elementary, and Hakipuu Learning Center; in addition, Haiku Elementary buys produce from local farmers when it is available.

Your Committees further find that the Farm to School program provides dual benefits to the State: healthy eating options for students and economic opportunities for farmers and ranchers. Both are a good investment in Hawai'i's future, and creating a linkage between farms and schools will foster a greater appreciation of the sources of food as well as introducing students to opportunities in agricultural careers.

Your Committees have amended this measure by:

- (1) In part I, establishing a Farm to School policy in chapter 302A, Hawaii Revised Statutes;



- (2) In part II, clarifying that the University of Hawai'i College of Tropical Agriculture and Human Resources will convene a working group of stakeholders to consider the feasibility of establishing a Farm to School program in Hawai'i's public schools; and
- (3) Adding the Department of Education to the working group.

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1179, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1179, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Taniguchi, Hemmings, Slom).

**SCRep. 118 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Higher Education on S.B. No. 1311**

The purpose of this measure is to protect Hawai'i's natural resources and to promote and expand collaboration among state agencies.

Specifically, the purpose of this measure is to:

- (1) Allow the University of Hawai'i use of Department of Land and Natural Resources staff for the purposes of the Hawai'i Marine Laboratory Refuge; and
- (2) Exempt the University of Hawai'i from any permitting or application requirements when carrying out any function or duty relating to the Hawai'i Marine Laboratory Refuge.

Testimony was submitted in support of the intent of this measure by one organization, and testimony in opposition was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

The University of Hawai'i employs twenty-four-hour security personnel at the Hawai'i Marine Laboratory Refuge, with an annual cost of approximately \$161,066. The security personnel do not have authority to patrol the refuge and stop persons from taking live coral, fish, or other invertebrates from the refuge. Your Committees find that allowing the University of Hawai'i use of Department of Land and Natural Resources staff for the purposes of enforcing security of the Hawai'i Marine Laboratory Refuge will help preserve the reef and its living resources.

Your Committees further find that exempting the University of Hawai'i from any permitting or application requirements when carrying out any function or duty relating to the Hawai'i Marine Laboratory Refuge is too broad. The permitting process requires all applicants to undergo necessary oversight to uphold high standards when conducting research or removing a regulated species.

Your Committees have amended this measure by:

- (1) Narrowing the exemption to allow the University of Hawai'i to carry out repair and maintenance of the Hawai'i Marine Laboratory Refuge without a permit or application; and
- (2) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1311, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1311, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 5 (Bunda, Fukunaga, Sakamoto, Taniguchi, Slom).

**SCRep. 119 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education and Housing on S.B. No. 1268**

The purpose of this measure is to permit the Department of Hawaiian Home Lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

Testimony in support of this measure was submitted by one state agency, eleven organizations, and one public citizen. One state agency supported the intent of the measure, and comments were submitted by two organizations. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that private-sector development of affordable homes for the Department of Hawaiian Home Lands beneficiaries is a key element in helping to solve Hawaii's affordable housing shortfall. By increasing the supply of homes on the Department of Hawaiian Home Lands properties, the overall supply of homes in the State is increased thus making more homes available for the people of Hawaii. Allowing affordable housing credits to be applied to other projects located in the same county in which the credits are earned is a great incentive for the private sector to get involved with the Department of Hawaiian Home Lands affordable housing program.

Your Committees have amended this measure by adopting the recommendations of the Department of Hawaiian Home Lands and:

- (1) Deleting section 1 of the measure, authorizing the Department of Hawaiian Home Lands to receive county affordable housing credits, because the Department of Hawaiian Home Lands already has such authority;
- (2) Authorizing the counties to issue affordable housing credits to the Department of Hawaiian Home Lands and allowing the Department to transfer and assign the credits; and
- (3) Specifying how the affordable housing credits may be issued and applied.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1268, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1268, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Bunda, Fukunaga, Tsutsui).

**SCRep. 120 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Public Safety and Military Affairs on S.B. No. 560**

The purpose of this measure is to require the Office of Hawaiian Affairs to conduct a study on the disparate treatment of Native Hawaiians and other ethnic groups in the State's criminal justice system.

Testimony in support of this measure was submitted by one state agency, six organizations, and two public citizens. One public citizen submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that the over-representation of Native Hawaiians in the criminal justice system is an issue that has not been adequately addressed.

Your Committees further find that any racial or ethnic disparity within the State's criminal justice system fosters public mistrust of the system and impedes the State's ability to promote public safety. A commitment to a fair criminal justice system and functioning democratic society requires addressing these existing racial and ethnic disparities.

According to recent studies, Native Hawaiians account for twenty per cent of the total population of the State but forty per cent of State's the prison population. Native Hawaiians average twenty-three per cent of all arrests in the State, and are twice as likely to be incarcerated as any other group. In 1999, it was reported that more than fifty per cent of the female population and more than sixty per cent of the male population, at the Hawaii Youth Correctional Facility were Native Hawaiian.

The high rates of incarceration have profound implications for Native Hawaiians. For example, almost sixty per cent of children placed in child protective services are Native Hawaiian. Of those children, eight per cent to thirty-three per cent have incarcerated parents. Studies suggest that adult children of incarcerated mothers are two and one-half times more likely to be incarcerated than adult children of incarcerated fathers. Ninety-five per cent of the one hundred twenty female Hawaii inmates incarcerated at a single mainland facility are mothers.

Incarceration has many long-term effects including negative impacts on health, family instability, diminished lifetime wages, social stigma, and educational limitations. These negative impacts result in higher rates of illness and death.

Your Committees have amended this measure by:

- (1) Establishing a task force to conduct the study on the disparate treatment of Native Hawaiians and other ethnic groups in the State's criminal justice system;
- (2) Including a provision directing the Department of Public Safety, the Judiciary, the Hawaii Criminal Justice Data Center, and other state agencies as requested to cooperate with the directive of the task force;
- (3) Deleting the appropriation, as the Office of Hawaiian Affairs informed your Committees that no appropriation was necessary to complete the report, and accordingly, changing the effective date of the measure to upon approval; and
- (4) Making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 560, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 560, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Kidani, Takamine, Hemmings).

**SCRep. 121 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Public Safety and Military Affairs on S.B. No. 218**

The purpose of this measure is to transfer law enforcement jurisdiction over the Iolani Palace from the Department of Land and Natural Resources to the Department of Public Safety.

Testimony providing comments on this measure was submitted by one state agency and one organization. Two state agencies submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that it is not the intent of this measure to transfer:

- (1) The management functions of the Department of Land and Natural Resources relating to historical preservation for Iolani Palace. Rather, this measure is limited to transferring the law enforcement functions over the grounds and the building of the Iolani Palace; or
- (2) The rulemaking authority of the Department of Land and Natural Resources.

Law enforcement jurisdiction over the grounds of the Iolani Palace currently resides with the Department of Land and Natural Resources as a public park. The Division of Conservation and Resources Enforcement (DOCARE), the law enforcement division of the Department of Land and Natural Resources, is stretched thin due to the vast array of public land over which it has enforcement

jurisdiction, including public parks, forests, beaches, and oceans. This measure will enable DOCARE officers to be available to attend to other necessary tasks of their Division. In this regard, your Committees find the specialization of DOCARE offices are better applied to the areas of forests, beaches, and oceans.

Furthermore, the Department of Public Safety, Sheriffs' Division, has jurisdiction over the State Capitol, which is adjacent to the Iolani Palace buildings and grounds. Due to the physical proximity of the State Capitol to Iolani Palace, the Department of Public Safety's participation in law enforcement at the Palace is logical.

Additionally, DOCARE presently has overlapping jurisdiction over Iolani Palace. The Department of Public Safety sheriffs and the Honolulu Police Department officers offer assistance to DOCARE officers when they are unable to respond to Iolani Palace disturbances with sufficient numbers. Thus, removing the Iolani Palace from DOCARE's jurisdiction permits the Department of Public Safety to have a greater role in the protection of the Iolani Palace. Your Committees note that the Honolulu Police Department has a station near the Iolani Palace, and thus may also be a more suitable enforcement agency for the Iolani Palace buildings and grounds.

Your Committees have amended this measure by:

- (1) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion; and
- (2) Making technical, nonsubstantive changes to add missing statutory language.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 218, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 218, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Kidani, Takamine, Hemmings).

**SCRep. 122 Labor on S.B. No. 1126**

The purpose of this measure is to authorize the executive departments, the University of Hawaii, the Judiciary, the Office of the Legislative Reference Bureau, the Office of the Auditor, and the Office of the Ombudsman to establish voluntary job-sharing programs for their permanent, full-time employees.

The Department of Human Resources Development submitted comments on the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that job-sharing provides flexible employment opportunities for certain state employees. Your Committee further finds that the State Auditor reviewed previously authorized job-sharing pilot projects and reported job-sharing to be a feasible, desirable, and cost-effective work arrangement that allowed job-sharers to care for their children, spend more time with their families, pursue additional education and training, and take care of other personal needs. The Auditor also recommended that job-sharing be made available to all state agencies to use at their discretion.

Your Committee has heard the concerns of the Department of Human Resources Development that this measure may increase costs by requiring the State to pay for the benefits of two full-time employees for the same position. Your Committee believes this merits further discussion by the Committee on Ways and Means.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1126, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1126, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 123 Labor on S.B. No. 876**

The purpose of this measure is to:

- (1) Clarify the retirement date for ordinary disability retirement;
- (2) Clarify that a challenge to an application for disability retirement or accidental death benefits is considered a petition for a contested case hearing and not an appeal of a medical board's decision;
- (3) Allow for the payment of approved attorney's fees and costs in disability retirement and accidental death cases;
- (4) Clarify the maximum retirement allowance for certain members; and
- (5) Clarify the restoration of service credits for certain reemployed noncontributory members.

Testimony in support of this measure was submitted by the Board of Trustees of the Employees' Retirement System. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure provides necessary clarifications to existing laws relating to the Employees' Retirement System. Your Committee further finds that this measure will streamline administration of the Employees' Retirement System.

Your Committee has amended this measure to correct typographical errors and to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 876, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 124 Commerce and Consumer Protection on S.B. No. 1128**

The purpose of this measure is to repeal the sunset date on the prohibition against stealing beer kegs.

Current law establishing a misdemeanor offense for the theft of beer kegs and imposing certain record-keeping requirements on scrap metal dealers includes a provision to repeal the Act creating the law on July 1, 2009. This measure repeals that expiration date to ensure that theft of a beer keg remains a misdemeanor offense and preserves the record-keeping requirement.

Your Committee received testimony in support of this measure from Anheuser Busch Companies. Copies of written testimony are available for review on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 125 Education and Housing on S.B. No. 360**

The purpose of this measure is to require the Department of Education to allow children who are home schooled to participate in extracurricular activities at the public school they would otherwise be required to attend.

Testimony in support of this measure was submitted by one state agency and seventeen home school students and parents. Copies of written testimony are available for review on the Legislature's website.

Your Committee has heard compelling testimony on the importance of extracurricular activities for home school students, from the students themselves. While younger students often have community programs available, particularly for sports, by the time the students are high school age, the options are much more limited. Many of the students who testified spoke of personal talents and skills that would be a valuable asset for any organized activity, and the frustration they face when they are not able to find a place to develop those talents and skills.

Your Committee believes that this measure would be a win-win for home school students as well as the public schools, and is in strong support of its passage.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 360 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 126 (Joint) Education and Housing and Labor on S.B. No. 161**

The purpose of this measure is to repeal salary ranges for teachers in the Department of Education.

Testimony in support of this measure was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that pursuant to section 89-9, Hawaii Revised Statutes, teacher salary schedules are negotiated. As a result, the salary range table contained in section 302A-622, Hawaii Revised Statutes, is outdated and does not reflect the current bargaining unit negotiated salary ranges.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 161 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Hee, Kidani, Hemmings, Slom).

**SCRep. 127 Education and Housing on S.B. No. 1120**

The purpose of this measure is to clarify civil service status of employees at two conversion charter schools, Waialae and Lanikai Elementary Schools.

Testimony in support of this measure was submitted by one private organization. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure will resolve a question of the employment status of Department of Education employees at these two schools.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1120 and recommends that it pass Second Reading and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 128 (Majority) Education and Housing on S.B. No. 748**

The purpose of this measure is to provide funding to the school complex areas for academic coaches and programs or initiatives for professional development or increased teacher retention.

Testimony in support of this measure was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the establishment of complex areas provides the opportunity for the more efficient and cost-effective management of schools and school complexes. The programs to be funded through this appropriation focus on increasing student learning and professional development opportunities for teachers, through cost efficiencies of complex funding.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 748 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 129 (Joint/Majority) Human Services and Health on S.B. No. 1344**

The purpose of this measure is to require the Department of Human Services to include in its requests for proposals for QUEST providers various provisions that will safeguard against the disruption of services that may be caused by positive enrollment.

Your Committees received testimony in support of this measure from Aloha Care and Hawaii Primary Care Association. Testimony in opposition was received from the Department of Human Services. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that it is important to give QUEST recipients the opportunity to select their health plans and primary care providers. Positive enrollment requires QUEST recipients to select a health plan and a primary care provider, even if they have done so previously. The requirement to reenroll in a health plan and primary care provider causes confusion among QUEST recipients, delays in needed health care procedures, disruption of case management services, and loss of contact between enrollees and their primary care providers.

Your Committees find that in order to guard against the adverse consequences of a positive enrollment program, the Department of Human Services must include protective provisions in its requests for proposals for QUEST providers. Specifically, requests for proposals for QUEST providers issued by the Department of Human Services must require that:

- (1) Existing QUEST recipients shall have sixty days to choose a health plan and primary care provider;
- (2) Five per cent of QUEST recipients who have not enrolled shall be selected at random and automatically assigned to a plan and provider; QUEST recipients who have not enrolled and are not randomly selected shall be reassigned to their former plan and provider;
- (3) QUEST recipients who have not enrolled are allowed time to opt out of the plans to which they were automatically assigned; and
- (4) QUEST recipients automatically assigned to a plan that is not their former plan who accidentally go to a provider under their former plan to receive medical services shall be permitted to receive medical services from that provider.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1344 and recommend that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Hemmings). Excused, 2 (Green, Nishihara).

**SCRep. 130 (Joint) Human Services and Health on S.B. No. 417**

The purpose of this measure is to:

- (1) Provide fair compensation to acute care hospitals for the services they provide to Medicaid patients who have been treated for acute illnesses and injuries, and who have recovered sufficiently so that they may be transferred to long-term care, but for whom long-term care is not available; and
- (2) Provide fair compensation to long-term care facilities for patients with medically complex conditions in acute care hospitals when the patients required levels of care change from acute to long-term,

by establishing reimbursement guidelines for Medicaid to acute care hospitals and facilities with long-term care beds.

The reimbursement guidelines established by the measure require that:

- (1) The Medicaid reimbursement rate to hospitals for patients occupying acute-licensed beds and waitlisted for long-term care shall be equal to the acute medical services payment rate; and
- (2) The Medicaid reimbursement rate to facilities with long-term care beds for patients with medically complex conditions who, prior to admission to the facility were receiving acute care services in an acute care hospital shall be equal to the state subacute care reimbursement rate.

Your Committees received testimony in support of this measure from the Chamber of Commerce of Hawaii, Hawaii Pacific Health, Hawaii Disability Rights Center, Hawaii Long Term Care Association, Kaiser Permanente, AARP Hawaii, and Healthcare Association of Hawaii. Testimony in opposition was received from the Department of Human Services. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that on any given day, there are approximately two hundred patients in acute care hospitals waiting to be transferred to long-term care facilities. Acute care facilities are unable to accept new patients in need of acute levels of care, and, despite the fact that their operational costs remain the same, the acute care facilities are reimbursed at a significantly lower rate for patients eligible for long-term care who occupy their beds. Additionally, long-term care facilities operate at a loss when they accept long-term care patients with medically complex conditions. This deters facilities from expanding their provision of long-term care, and is a contributing factor to the chronic shortage of long-term care beds.

Your Committees therefore find that the establishment of Medicaid reimbursement guidelines as provided by this measure is necessary to promote the movement of waitlisted patients from acute care to long-term care facilities, reduce operational losses that threaten the financial stability of Hawaii's hospitals, and increase the number of facilities providing long-term care for patients who suffer from medically complex conditions.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 417 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Green, Nishihara).

**SCRep. 131 (Joint) Human Services and Health on S.B. No. 423**

The purpose of this measure is to appropriate state funds to maximize the availability of the federal Medicaid disproportionate share hospital allowance.

Testimony in support of this measure was received from the Chamber of Commerce of Hawaii, Hawaii Pacific Health, Kaiser Permanente, AARP Hawaii, and the Healthcare Association of Hawaii. The Department of Human Services submitted testimony in opposition to this measure. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that it is imperative to provide quality healthcare for the State's most vulnerable populations. Through the efforts of Hawaii's congressional delegation, a one-time federal Medicaid disproportionate share hospital allowance has been secured for the State. The disproportionate share hospital allowance is intended to compensate hospitals for higher operating costs incurred as a result of treating a large share of low-income patients.

Your Committees further find that the disproportionate share hospital allowance funds cannot be expended without a matching state appropriation. By appropriating the state funds necessary to maximize the availability of the federal disproportionate share hospital allowance, the State will enable healthcare providers to continue offering services to Hawaii's needy population.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 423 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Green, Nishihara).

**SCRep. 132 Human Services on S.B. No. 789**

The purpose of this measure is to enhance the individual development accounts program by:

- (1) Clarifying the guidelines for the individual development accounts program;
- (2) Designating the Department of Human Services, or a contracted agency, as the administrator of the individual development accounts program; and
- (3) Appropriating funds to allow fiduciary organizations to operate individual development account programs.

Testimony in support of this measure was received from the Department of Human Services; Hawai'i Alliance for Community-Based Economic Development; and Aloha United Way. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that individual development accounts are special savings accounts that match the deposits of low- and moderate-income holders to save towards qualified financial goals, such as purchasing a home or paying tuition for higher education. The accounts provide incentives to save, and provide families a sense of empowerment when they reach their financial goals.

Your Committee finds that the individual development accounts program, established by chapter 257, Hawaii Revised Statutes, will be benefited by clarifying the program's guidelines and designating the Department of Human Services or a contracted agency to provide administrative support. Further, appropriating funds to cover the operating costs of fiduciary organizations offering individual

development accounts will allow these organizations to continue providing quality financial education, financial planning, and case management services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 789 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 133 Human Services on S.B. No. 197**

The purpose of this measure is to provide a refundable income tax credit to caregivers of qualified care recipients including persons with disabilities and persons sixty years of age and older.

The tax credit would be provided on a sliding scale ranging from ten to one hundred per cent of an unspecified maximum monetary amount, depending on the taxpayer's adjusted gross income.

Testimony in support of this measure was submitted by the Kokua Council, ILWU Local 142, and one individual. The Department of Taxation submitted testimony in opposition to the measure. The Tax Foundation of Hawaii submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that caregivers provide necessary services to family members and friends in need. In so doing, caregivers not only benefit their care recipients by allowing them to avoid or delay institutionalization, but also decrease the burden on Hawaii's chronically scarce long-term care beds, nursing care facilities, and residential care homes.

Your Committee further finds that the benefits derived by care recipients and the State come at a price to caregivers, who frequently make financial sacrifices in order to provide such care, working fewer hours and losing benefits in their attempt to balance their caregiving and employment responsibilities. Your Committee finds that providing a refundable tax credit for caregivers providing care to qualified care recipients will ease the financial burdens caregivers bear and recognize the statewide benefits provided by caregivers.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 197 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 134 Human Services on S.B. No. 1006**

The purpose of this measure is to use culturally sensitive, family strengthening diversion and other supportive services by clarifying that placement of a child in the care of relatives and friends is an alternative to the Department of Human Services' assumption of custody of the child.

Your Committee received testimony in support of this measure from the Department of Human Services; Catholic Charities Hawaii; Family Programs Hawaii; the Partners in Development Foundation; the Kokua Council; and five individuals. The Judiciary submitted comments on this measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the federal Child and Family Services Review of Hawaii's child welfare system recommended that the State implement culturally sensitive and family strengthening diversion practices as an alternative to the Department of Human Services' assumption of custody. It is a local custom for children to be cared for by relatives and friends. Your Committee finds that permitting children to be placed in the homes of relatives and friends will protect against the unnecessary placement of a child in the Department's custody and will preserve the child's relationships with his or her family, friends, and community.

Your Committee acknowledges the comments submitted by the Judiciary and urges the Department of Human Services to include in implementing this measure, the requirements that a caretaker provide notice to the Department of Human Services when they intend to return the child and the powers of attorney be in place.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1006 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 135 Human Services on S.B. No. 838**

The purpose of this measure is to provide greater protection to victims of domestic violence who the courts and police are attempting to keep safe through protective orders and police orders.

Specifically, the measure:

- (1) Amends the offense of murder in the first degree to include the killing of a protected person;
- (2) Amends the offense of murder in the second degree to include recklessly causing the death of a protected person;
- (3) Amends the offense of assault in the second degree to include the intentional, knowing, or reckless causing of bodily injury to a protected person; and
- (4) Amends the offense of terroristic threatening in the first degree to include the threatening of a protective person.

Testimony in support of this measure was submitted by the Attorney General; the Department of the Prosecuting Attorney, County of Maui; the Police Department, County of Maui; the Police Department, City and County of Honolulu; the Department of the Prosecuting Attorney, City and County of Honolulu; and the Hawaii State Coalition Against Domestic Violence. The State Office of the Public Defender submitted testimony in opposition to the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that domestic violence is widespread in Hawaii. The State has attempted to address the problem by offering protective orders to domestic violence victims. However, despite the issuance of such protective orders, some victims continue to be harassed, intimidated, and in some cases, killed, by their abusers. This measure seeks to provide greater protection and support to victims of domestic violence who have sought assistance from the courts and the police by, among other things, upgrading the respective grades of offenses applicable to these circumstances, as follows:

- (1) Upgrading manslaughter to murder in the second degree;
- (2) Upgrading terroristic threatening in the second degree, a misdemeanor, to the class C felony of terroristic threatening in the first degree; and
- (3) Upgrading assault in the third degree, a misdemeanor, to the class C felony of assault in the second degree,

when these crimes are committed against protected victims.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 838 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 136 Human Services on S.B. No. 839**

The purpose of this measure is to provide greater protection to children by amending the offense of promoting child abuse in the second degree to include the possession of certain violent and otherwise egregious child pornography and adding mandatory sentencing provisions for child abuse offenses involving dissemination of child pornography.

Your Committee received testimony in support of this measure from the Attorney General; the Department of the Prosecuting Attorney, County of Maui; and the Police Department, County of Maui. The Office of the Public Defender submitted testimony in opposition to the measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that child pornography is a visual record of the exploitation and sexual abuse of a child, and is easily shared with others around the world through electronic mediums. The minor victim portrayed in child pornography continues to be violated as long as the pornographic matter displaying the abuse is disseminated.

Your Committee finds that it is imperative to provide greater protection to children against this form of sexual predation. This bill does so by:

- (1) Amending the offense of promoting child abuse in the second degree by including in the offense the possession of violent or particularly egregious child pornography that involves a child under twelve, sadomasochistic abuse of a minor, sexual penetration of a minor, or bestiality involving a minor; and
- (2) Adding a mandatory sentence of imprisonment for five years, unless a greater mandatory minimum term is authorized by law.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 839 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 137 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1152**

The purpose of this measure is to impose a one-hundred-year moratorium on certain building or development projects on class A or B agricultural lands in senatorial districts twenty two and twenty three for which general planning has not commenced.

Testimony in support of this measure was submitted by one organization, and testimony in opposition to this measure was submitted by one state agency. Comments were submitted by the Department of Agriculture. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the State Constitution and previously enacted legislation such as Act 183, Session Laws of Hawaii 2005, have indicated the priority of agricultural lands to the State. Despite the environmental, financial, nutritional, and other benefits of agriculture to the State, your Committee finds that further action is necessary to prevent development from threatening our most productive agricultural lands, provide affordable water for agriculture, and promote the production and purchase of local produce.

Your Committee believes that this measure provides part of the necessary progress toward the State's food self-sufficiency goals, minimizing the approximately eight-five per cent of products consumed by residents that are imported. As the Governor noted in her State of the State address, replacing just ten per cent of Hawai'i's currently imported food with locally grown food could generate over \$300 million in economic activity, \$6 million in tax revenue, and 2,300 new jobs. Your Committee believes that protecting productive agricultural lands from development will encourage farmers to invest in their land without fear that the land will be sold before they realize returns on their investments, and will ultimately provide stability and diversity to the State's economy.



As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1152 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Takamine, Hemmings).

**SCRep. 138 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 1022**

The purpose of this measure is to make permanent, liability protections for certain state and county agencies relating to lifeguard services at state beach parks and warnings signs at public recreational areas.

Testimony in support of this measure was submitted by two state agencies, four county agencies, one organization, and three individuals. Testimony in opposition to this measure was submitted by one organization. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that certain public recreational areas have potentially dangerous natural conditions that require a balance of public responsibility to heed signs and warnings, and governmental action to provide for the safe use of those recreational areas.

Your Committees further find that Act 170, Session Laws of Hawaii 2002, as amended, and Act 82, Session Laws of Hawaii 2003, as amended, provided certain county and state agencies with liability protections that will sunset on June 30, 2010. These protections have allowed state and county governments to keep open certain recreational areas which might have otherwise been more dangerous for the public or closed to the public.

Your Committees note that a task force was created by Act 152, Session Laws of Hawaii 2007, to examine the effectiveness of Acts 170, Session Laws of Hawaii 2002, and 82, Session Laws of Hawaii 2003. The task force collected relevant data and, with the exception of one member, found that the liability protections in Acts 170 and 82 were effective. Your Committees agree with the task force's recommendation that the protections in both acts should be made permanent.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1022 and recommend that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, Gabbard, Kokubun, Hemmings, Slom).

**SCRep. 139 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1085**

The purpose of this measure is to prohibit the Board of Land and Natural Resources from selling, exchanging, or otherwise alienating ceded lands in the public land trust.

Testimony in support of this measure was submitted by one state agency, fifteen organizations, and twenty-nine public citizens. One state agency submitted comments. Testimony in opposition was submitted by one state agency and two public citizens. Copies of written testimony are available for review on the Legislature's website.

In January 2008, the Hawaii State Supreme Court in *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, 117 Hawaii 174 (2008), enjoined the State from selling or otherwise transferring to third parties any ceded lands from the public lands trust until the claims of the Native Hawaiian people to the ceded lands have been resolved.

The Court stated, that "[b]ased on a plain reading of the . . . [Apology Resolution], we believe Congress has clearly recognized that the native Hawaiian people have unrelinquished claims over the ceded lands, which were taken without consent or compensation and which the native Hawaiian people are determined to preserve, develop, and transmit to future generations." The Court further held, ". . . we believe and, therefore, hold that the Apology Resolution and related state legislation . . . give rise to the State's fiduciary duty to preserve the corpus of the public lands trust, specifically, the ceded lands, until such time as the unrelinquished claims of the native Hawaiians have been resolved. Such duty is consistent with the State's 'obligation to use reasonable skill and care' in managing the public lands trust and Ahuna court's declaration that the State's conduct 'should . . . be judged by the most exacting fiduciary standards.'" 117 Haw. at 193.

In April 2008, the Governor directed the Attorney General to petition the United States Supreme Court for a writ of certiorari on whether the passage of Public Law 103-150, otherwise known as the Apology Resolution, strips the State of Hawaii of the authority to sell, exchange, or transfer ceded lands unless or until the State reaches a political settlement with the Native Hawaiian people about the status of these lands. In October 2008, the United States Supreme Court granted the State's petition for certiorari in the foregoing case.

In light of these developments, your Committee believes that it is necessary to reassert the Legislature's sole authority under the Constitution of the State of Hawaii to resolve this issue on behalf of the State and to dispose of lands under the control of the State.

Your Committee finds that the State possesses a fiduciary duty to preserve the corpus of the public land trust, specifically ceded lands, until the unrelinquished claims of the Native Hawaiian people are resolved. This measure preserves the public land trust to ensure a fair and just settlement leading to reconciliation with the Native Hawaiian people.

Your Committee believes this measure serves as a legislative vehicle not only to assert the Legislature's constitutional authority and fiduciary duty, but to implement the policy clearly set forth by the Hawaii State Supreme Court in its decision in *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, *supra*.

Your Committee has amended this measure by:

- (1) Clarifying that the prohibition on the sale or transfer of ceded lands shall not apply to remnants, as defined in section 171-52, Hawaii Revised Statutes, easements for public utilities or government agencies pursuant to section 171-95, Hawaii Revised Statutes, or the exchange of lands pursuant to sections 171-50 and 171-51, Hawaii Revised Statutes;
- (2) Prohibiting the sale or transfer of ceded lands until the unrelinquished claims of the Native Hawaiian people are resolved, or the Legislature finds by concurrent resolution adopted by a two-thirds majority vote of each House that the State no longer supports reconciliation between the State and the Native Hawaiian people, or until December 31, 2014, whichever may occur first;
- (3) Inserting provisions that establish a process with specific safeguards for the sale or transfer of ceded land, to be implemented only after the occurrence of one of the conditions set forth in (2), above; and
- (4) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1085, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1085, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Tokuda). Noes, none. Excused, 2 (Kokubun, Takamine).

**SCRep. 140 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Judiciary and Government Operations on S.B. No. 1677**

The purpose of this measure is to require the adoption of a concurrent resolution by two-thirds majority vote of each house of the Legislature when the State administration sells, transfers, or exchanges ceded lands.

Testimony in support of this measure was submitted by three organizations and one public citizen. Three state agencies submitted comments, and testimony in opposition was submitted by one public citizen. Copies of written testimony are available for review on the Legislature's website.

In January 2008, the Hawaii State Supreme Court in *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, 117 Hawaii 174 (2008), enjoined the State from selling or otherwise transferring to third parties any ceded lands from the public lands trust until the claims of the Native Hawaiian people to the ceded lands have been resolved.

The Court stated, that "[b]ased on a plain reading of the . . . [Apology Resolution], we believe Congress has clearly recognized that the native Hawaiian people have unrelinquished claims over the ceded lands, which were taken without consent or compensation and which the native Hawaiian people are determined to preserve, develop, and transmit to future generations." The Court further held, ". . . we believe and, therefore, hold that the Apology Resolution and related state legislation . . . give rise to the State's fiduciary duty to preserve the corpus of the public lands trust, specifically, the ceded lands, until such time as the unrelinquished claims of the native Hawaiians have been resolved. Such duty is consistent with the State's 'obligation to use reasonable skill and care' in managing the public lands trust and Ahuna court's declaration that the State's conduct 'should . . . be judged by the most exacting fiduciary standards.'" 117 Haw. at 193.

In April 2008, the Governor directed the Attorney General to petition the United States Supreme Court for a writ of certiorari on whether the passage of Public Law 103-150, otherwise known as the Apology Resolution, strips the State of Hawaii of the authority to sell, exchange, or transfer ceded lands unless or until the State reaches a political settlement with the Native Hawaiian people about the status of these lands. In October 2008, the United States Supreme Court granted the State's petition for certiorari in the foregoing case.

In light of these developments, your Committees believe that it is necessary to reassert the Legislature's constitutional authority that it has the sole authority to resolve the ceded lands issue on behalf of the State and to dispose of lands under the control of the State as it deems appropriate.

Your Committees find that this measure allows the Legislature to carry out its fiduciary responsibilities to all the people of Hawaii, and ensures the preservation of the public land trust corpus for the benefit of the Native Hawaiian people.

Your Committees have amended this measure by:

- (1) Adopting the recommendation of the Attorney General to allow for the sale or exchange of remnants, as defined in section 171-52, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for clarity, style, and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1677, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1677, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Takamine).

**SCRep. 141 Human Services on S.B. No. 774**

The purpose of this measure is to appropriate temporary assistance for needy families program funds for non-school-hour programs; appropriate funds for the Safe Haven demonstration program in Hawaii County; appropriate general funds for non-school-hour activities and to establish the new position of educational specialist II; and create a task force on non-school-hour programs.

Testimony in support of this measure was received from the Department of Education, County of Hawaii, the Office of Youth Services, and the Island of Hawaii YMCA. The Department of Human Services provided comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that it is vital to provide Hawaii's youth with meaningful, wholesome, non-school-hour activities. Non-school-hour programs provide school-aged children with positive opportunities and experiences, and deter problems of juvenile crime, drug use, and experimentation with tobacco, alcohol, and sexual activity.

Your Committee further finds that the Legislature has appropriated funds through Act 281, Session Laws of Hawaii 2006, for the provision of non-school-hour activities to over six thousand three hundred students across the State. Programs such as UPLINK and A+ provide positive experiences and opportunities for students, and foster healthy behaviors, beliefs, and lifestyles.

Your Committee is committed to continuing its efforts to provide students with valuable non-school-hour programs. However, due to current economic conditions, your Committee finds that it is inadvisable to require the counties to provide matching funds in order to receive federal temporary assistance for needy families program funds for non-school-hour activities; create a new position within the Department of Education; or establish a non-school-hour program task force.

Your Committee has amended the measure as follows:

- (1) Adding additional language in the measure's purpose section to provide a more comprehensive history of non-school-hour programs in the State;
- (2) Inserting specific appropriation amounts to be appropriated from federal temporary assistance for needy families program funds;
- (3) Removing the requirement that counties provide matching funds in order to receive federal temporary assistance for needy families monies;
- (4) Assigning a portion of the funds appropriated to the County of Hawaii for the Safe Haven demonstration program; and
- (5) Removing the section in the measure that establishes a non-school-hour program task force; and
- (6) Deleting the new educational specialist II position within the Department of Education.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 774, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 774, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 142 (Majority) Public Safety and Military Affairs on S.B. No. 478**

The purpose of this measure is to revise and clarify provisions relating to disaster relief laws and the Governor's powers in responding to disaster relief efforts during a civil defense emergency.

Testimony in support of this measure was submitted by five individuals. Testimony in opposition of this measure was submitted by five state agencies. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that clarifying and limiting the Governor's powers to provide disaster relief during times of natural or manmade disasters or civil defense emergencies will create a more accountable and transparent government. Specifically, requiring the Governor to obtain legislative authorization to continue to provide disaster relief beyond the adjournment sine die of the next occurring regular session will provide legislative oversight in the execution of the disaster relief laws in this State. Your Committee believes that this measure is necessary to ensure that emergency powers of the executive branch are not abused or used to circumvent legislative authority.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 478, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 478, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Hemmings). Excused, 2 (English, Gabbard).

**SCRep. 143 Public Safety and Military Affairs on S.B. No. 358**

The purpose of this measure is to prohibit the seizure of firearms or ammunition from a person that has a permit to carry or possess the firearms or ammunition and who is using the firearms or ammunition in a lawful manner during an emergency or natural disaster.

Testimony in support of this measure was submitted by nineteen individuals. Testimony in opposition of this measure was submitted by one state agency and one individual. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that during times of emergencies, civil crisis, or natural disasters it is important for persons to have the privilege of exercising their constitutional rights in a lawful and appropriate manner. Specifically, allowing a person, that has obtained a valid permit to carry a firearm or ammunition, to use a firearm or ammunition in a lawful manner to protect themselves, their family, and property during an emergency, civil crisis, or natural disaster is sensible and appropriate.

Your Committee has amended this measure by:

- (1) Removing the Governor's civil defense powers to compel RHO blood typing on females of child bearing age or younger and other blood typing approved by competent medical authority;
- (2) Changing the effective date to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 358, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 358, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 144 (Majority) Public Safety and Military Affairs on S.B. No. 540**

The purpose of this measure is to establish and implement a Residential Drug Abuse Program to help nonviolent offenders transition and reintegrate back into the community.

This measure also increases the number of transition beds for male inmates in module nineteen at the Oahu Community Correctional Center and provides for a reduction of an offender's sentence upon successful completion of the Residential Drug Abuse Program.

Testimony in support of this measure was submitted by four private organizations and three individuals. Testimony in opposition of this measure was submitted by one state agency. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that establishing a community transitional program for nonviolent offenders will reduce the State's costs of incarceration and also provide nonviolent offenders with a program to treat substance abuse. Your Committee further finds that nonviolent offender participation in the Residential Drug Abuse Program will reduce the likelihood of recidivism upon their release. In addition, increasing the number of transitional beds in module nineteen at the Oahu Community Correctional Center will allow more nonviolent offenders to participate in the Residential Drug Abuse Program.

Your Committee has amended this measure by:

- (1) Requiring the Residential Drug Abuse Program to begin operations on July 1, 2010;
- (2) Changing the effective date to July 1, 2050; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 540, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 2 (English, Gabbard).

**SCRep. 145 Public Safety and Military Affairs on S.B. No. 546**

The purpose of this measure is to appropriate funds to the Department of Public Safety to establish, develop, and administer an electronic monitoring pilot program for committed offenders that would allow eligible nonviolent offenders to live and work in the community while being electronically monitored.

Testimony in support of this measure was submitted by four private organizations and three individuals. Testimony in opposition of this measure was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that establishing and implementing an electronic monitoring pilot program for nonviolent offenders to participate in the community is a cost-effective approach for the State to make in administering the criminal justice system. Your Committee further finds that the pilot program will help to reintegrate the nonviolent offenders back into the community in a safe and secure manner and also help to reduce the offender's likelihood of recidivism by providing them with a job.

Your Committee has amended this measure by:

- (1) Clarifying the global positioning satellite tracking devices that are to be used in the pilot program shall be able to monitor and pinpoint an inmate's location whether they are located inside or outside any building;
- (2) Reducing the maximum number of participants in the pilot program from fifty inmates to thirty inmates;
- (3) Changing the effective date to July 1, 2050;
- (4) Revising internal references to the appropriate sections of the Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 546, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Gabbard).

**SCRep. 146 Public Safety and Military Affairs on S.B. No. 970**

The purpose of this measure is to authorize the Department of Public Safety to deposit a committed person's funds into one or more noninterest bearing accounts with one or more financial institutions, rather than requiring that the funds be deposited into an individual trust account.

Testimony in support of this measure was submitted by one state agency. Testimony in opposition to this measure was submitted by one private organization. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that allowing the Department of Public Safety to deposit a committed person's funds into one or more accounts gives the Department of Public Safety flexibility in allowing the committed person to use funds from one account for necessities or other amenities while incarcerated and another account that they can use to reintegrate themselves into the community upon their release.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 970, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 970, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Gabbard).

**SCRep. 147 Labor on S.B. No. 1664**

The purpose of this measure is to clarify and temporarily codify implementation of a partial unemployment insurance system and extend the duration of employees' eligibility for unemployment benefits under partial unemployment insurance from four weeks to eight weeks.

Testimony in support of the measure was submitted by two organizations.

The Department of Labor and Industrial Relations supported the intent of the measure.

Your Committee finds that the people currently claiming unemployment benefits from the State also include many who are employed but are working fewer hours than they had previously worked because their employers could not afford to retain them as full-time workers.

Your Committee also finds that, given the current economic situation, employers may benefit by cutting their employees' hours while continuing to provide certain benefits, rather than laying off employees completely. In doing so, employers may maintain their employees' loyalty and productivity when the economy recovers and employees are again needed on a full-time basis.

Your Committee further finds that the Department of Labor and Industrial Relations already implements a partial unemployment insurance system through its administrative rules and has assisted employees during work slowdowns for several businesses in the past.

Your Committee finds that although this measure differs from the Department of Labor and Industrial Relations' existing administrative rules by extending partial unemployment from four to eight weeks, the Department has extended the period of eligibility for partial unemployment in the past, as the extension is also permitted in its administrative rules. The Department recommended that the proposed section 383-B(c), Hawaii Revised Statutes, be eliminated, as the intent and application of that subsection is unclear.

Your Committee has accordingly amended this measure by:

- (1) Removing the proposed section 383-B(c), Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1664, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1664, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 148 (Majority) Public Safety and Military Affairs on S.B. No. 208**

The purpose of this measure is to repeal, effective January 1, 2011, the exemption from civil service for the positions of sheriff, first deputy sheriff, and second deputy sheriff within the Sheriff Division.

Testimony in support of this measure was submitted by one private organization and seven individuals. Testimony in opposition of this measure was submitted by one state agency. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that by repealing the exemption from civil service for the positions of sheriff, first deputy sheriff, and second deputy sheriff, the objectives of the Sheriff Division could be achieved under an environment of stable leadership and also allow the Department of Public Safety to operate in a more effective and efficient manner.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 208 and recommends that it pass Second Reading and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Hemmings). Excused, none.

**SCRep. 149      Public Safety and Military Affairs on S.B. No. 613**

The purpose of this measure is to make an appropriation to the Hawaii Civil Air Patrol to fund operational expenses.

Testimony in support of this measure was submitted by one state agency, five private organizations, and one individual.

Your Committee finds that the Hawaii Civil Air Patrol provides necessary disaster relief, search and rescue, homeland security, and medical emergency transport services to local and national organizations. An appropriation will assist the Hawaii Civil Air Patrol in financing any pre-disaster and post-disaster operations that may occur in Hawaii over the next fiscal year.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 613 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 150      (Joint/Majority) Energy and Environment and Judiciary and Government Operations on S.B. No. 559**

The purpose of this measure is to establish by January 1, 2011, a mandatory recycling program for all state buildings and facilities, public schools, and the University of Hawaii, to be administered by the Department of Accounting and General Services.

Testimony in opposition to the measure was submitted by two state departments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that although this measure would be beneficial to reducing the amount of waste produced by the State, the Department of Accounting and General Services' lack of jurisdiction over the public schools and the University of Hawaii would make it difficult for the Department of Accounting and General Services to effectively establish such a recycling program over those facilities.

Your Committees have amended this measure by exempting those facilities from the recycling program over which the Department of Accounting and General Services do not have authority, specifically, the public schools and the University of Hawaii.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 559, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 559, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Ayes with Reservations, 2 (Bunda, Slom). Noes, 1 (Hemmings). Excused, none.

**SCRep. 151      (Joint/Majority) Energy and Environment and Judiciary and Government Operations on S.B. No. 553**

The purpose of this measure is to require the use of compact fluorescent light bulbs, light-emitting diode lighting products, and advanced energy-efficient incandescent light bulbs in state buildings and to require the Department of Business, Economic Development, and Tourism to undertake a public education campaign to promote private use of compact fluorescent light bulbs and light-emitting diode lighting products.

Testimony in support of this measure was submitted by one state department and two private organizations. Testimony in support of the intent of this measure was submitted by two state departments. Testimony in opposition was submitted by one state department and one private individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

In particular, the Department of Public Safety submitted testimony expressing concern that the obligation to use energy efficient light bulbs could threaten the security at the Department's correctional facilities. The Department of Public Safety requested an exemption from this requirement based on these public safety concerns. Additionally, the Department of Business, Economic Development, and Tourism expressed concerns the public awareness campaign required under this measure, given its limited budget resources.

Your Committees find that switching to energy efficient lighting in public buildings could result in significant savings in electricity costs, in addition to being good for the environment.

Your Committees have amended this measure by:

- (1) Exempting the Department of Public Safety and other facilities that require non-qualifying light bulbs for public safety reasons from switching to energy efficient lighting; and
- (2) Deleting section 3 of the proposed measure, which would have required the Department of Business, Economic Development, and Tourism from conducting a public awareness campaign regarding energy efficient lighting due to budget concerns.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 553, as amended

herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 553, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 11. Noes, 1 (Slom). Excused, none.

**SCRep. 152 (Joint) Health and Human Services on S.B. No. 821**

The purpose of this measure is to effectuate the findings of the Joint Legislative Committee on Aging in Place and to maintain the levels of kupuna care service provided statewide in fiscal year 2007-2008.

The measure attempts to accomplish this goal by requiring the Executive Office on Aging to cooperate with the county offices of aging to develop:

- (1) A plan to increase voluntary contributions to support the cost of kupuna care programs;
- (2) Procedures for managing the waitlist for kupuna care service; and
- (3) Policies for applying a cash and counseling approach to service delivery.

In addition, this measure provides for an appropriation to the Department of Health to maintain levels of kupuna care service provided statewide in fiscal year 2007-2008.

Your Committees received testimony in support of this measure from Catholic Charities Hawaii, Hawaii Alliance for Retired Americans, Lanakila Meals on Wheels, Moilili Community Center, Project Dana, and one private individual.

Your Committees received testimony in opposition to this measure from the Executive Office on Aging.

The Department of Community Services, City and County of Honolulu, submitted comments on this measure.

Copies of written testimony are available for review on the Legislature's website.

Your Committees find that the kupuna care program has been one of the most cost effective programs delivering vital services to our elders. Your Committees further find that it is important to maintain critical elder services and programs in the State, like kupuna care.

Your Committees have amended this measure by removing the appropriation provision as the appropriation for this program has been included in another measure utilizing the emergency and budget reserve fund.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 821, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 821, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Green, Nishihara).

**SCRep. 153 (Joint/Majority) Health and Human Services on S.B. No. 818**

The purpose of this measure is to provide the public with greater access to information on the quality and conditions of care facilities in Hawaii.

This measure attempts to accomplish this goal by requiring the Department of Health and the Department of Human Services to make available to the public, free of charge, information collected from the departments' inspections of care facilities on each department's website. In addition, the measure provides for an appropriation to the Department of Health and the Department of Human Services for anticipated costs of the implementation of the notice requirement.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, the State Long Term Care Ombudsman, the Hawaii Alliance for Retired Americans, the Policy Advisory Board for Elder Affairs, the Kokua Council, and one private individual.

Your Committees received testimony in opposition to this measure from the Department of Health and the Department of Human Services.

Copies of written testimony are available for review on the Legislature's website.

Your Committees find that this measure will increase transparency of care facility operation in the State and enable individuals in need of the services of a care facility to know which facilities meet minimum established standards and which facilities exceed those standards.

Your Committees further find that inspection reports are currently required by the State and that posting the results of those reports on the departments' established website does not warrant an appropriation.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the Department of Health and the Department of Human Services to begin to post the inspection reports of care facilities on their respective websites by January 1, 2011 in order to allow time for the departments to establish procedures;
- (2) Removing the appropriation provisions; and
- (3) Changing the effective date to "upon approval".

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 818, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 818, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Hemmings). Excused, 2 (Green, Nishihara).

**SCRep. 154 Labor on S.B. No. 947**

The purpose of this measure is to conform Hawaii's unemployment insurance law to federal law to provide uniform application of unemployment insurance rate calculations for all experience rating transfers by employers.

This measure also amends an Internal Revenue Code reference to clarify the definition of "person" in section 383-66(b)(6)(C).

This measure relates generally to state unemployment tax avoidance (SUTA) dumping. Specifically, this measure amends the provisions in section 383-66(b), Hawaii Revised Statutes, relating to the effective date of unemployment insurance rate calculations following transfers of trade or business so that the effective date is uniformly applied. Currently, the rates are effective beginning with the calendar year immediately following the transfer according to section 383-66(a), Hawaii Revised Statutes, and the quarter immediately following the transfer according to section 383-66(b), Hawaii Revised Statutes. If enacted, this measure would apply retroactively to June 9, 2005, which is the date legislation was enacted to conform state laws to federal law (Act 114, Session Laws of Hawaii 2005).

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is necessary because the discrepancy in the effective date of rate calculations means that there could be multiple calculations of rates within a year. The Department of Labor and Industrial Relations estimates that modifying the unemployment insurance tax system to accommodate mid-year tax rate changes can cost the Department approximately \$23 million. In addition to saving costs to the Department, your Committee finds that this measure would also save employers accounting-related costs that would be incurred to accommodate mid-year rate changes.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 947, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 155 Tourism on S.B. No. 1272**

The purpose of this measure is to increase the amount of monies that may be allocated among certain special funds that benefit from the tourism special fund's allocation of transient accommodations tax revenues and to authorize the use of a portion of those monies for invasive species prevention.

Specifically, the measure:

- (1) Increases the amount of monies being allocated among special funds benefitting from the tourism special fund's allocation of transient accommodations tax revenues from the first \$1,000,000 in revenues deposited to the first \$2,000,000 in revenues deposited into the tourism special fund;
- (2) Changes the percentages of transient accommodations tax revenue that may be transferred from the tourism special fund to the state parks special fund and special land and development fund, respectively; and
- (3) Adds the pest inspection, quarantine, and eradication fund to the list of funds that may receive a percentage of transient accommodations tax revenue deposited in the tourism special fund.

Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism, the Department of Land and Natural Resources, Hawaii Tourism Authority, and the Hawaii Hotel and Lodging Association. Your Committee received comments on this measure from the Department of Agriculture, Outrigger Hotels, and the Tax Foundation of Hawaii.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that tourism in Hawaii depends on the beauty of the islands. This measure attempts to direct funds necessary to ensure that state parks and trails are properly maintained and to ensure that pests, such as those that have inhabited the beaches of Tahiti, do not deter tourists from choosing Hawaii as a return destination for their next vacation or convention. However, your Committee further finds that concerns have been raised regarding the \$2,000,000 aggregate limit on funds that may be transferred from the tourism special fund to the state parks special fund, the special land and development fund, and the pest inspection, quarantine, and eradication fund.

Accordingly, your Committee has amended this measure by removing the \$2,000,000 limit on fund transfers and leaving the limit amount unspecified.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1272, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1272, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Tsutsui, Slom).

**SCRep. 156 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 1313**

The purpose of this measure is to abolish the Hawaii Community Development Authority.

This measure also transfers jurisdiction of public lands currently under the control and authority of the Hawaii Community Development Authority to the Department of Land and Natural Resources and transfers zoning authority over these lands to the City and County of Honolulu.

Testimony in support of this measure was submitted by two public citizens. One county agency supported the intent of the measure. Testimony in opposition was submitted by three state agencies and one organization. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that despite State Auditor reports that show an annual surplus of funds for Kewalo Basin, the facilities have been allowed to become run down and deteriorate. Additionally, recent decisions approving up to twenty commercial and residential high-rise towers fail to take account of the anticipated increase in traffic gridlock and congestion. Your Committees note that transferring jurisdiction from the Hawaii Community Development Authority to other agencies may improve the management of these public lands.

Your Committees further find that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of state government is necessary to ensure that all available avenues have been explored to accomplish more with fewer resources.

Your Committees have amended this measure by:

- (1) Transferring the portion of the Kakaako Community Development District that is makai of Ala Moana Boulevard to the Department of Land and Natural Resources;
- (2) Transferring the portion of the Kakaako Community Development District that is mauka of Ala Moana Boulevard to the City and County of Honolulu; and
- (3) Making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1313, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1313, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Bunda, Gabbard, Kokubun, Hemmings, Slom).

**SCRep. 157 Education and Housing on S.B. No. 16**

The purpose of this measure is to authorize the Department of Education to conduct criminal history record checks on volunteers in positions that place them in close proximity to children, and to terminate or refuse the services of any volunteer.

Testimony in opposition to this measure was submitted by two state agencies. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that both the public schools and public libraries are committed to the safety of the children under their care, but expressed concern regarding the costs of extending criminal history checks to all of the thousands of volunteers who assist in schools and libraries statewide. Your Committee also heard an extensive discussion of criminal history information that could be shared between state agencies, in order to lower the costs, but finds that the concept may prove unworkable due the differing needs of the agencies.

Your Committee has taken these concerns into consideration and believes that developing an internal criminal history data base, with the scope to be determined by the Department of Education, is one alternative.

Your Committee has amended this measure accordingly, by:

- (1) Requiring the Department of Education to establish and maintain a criminal history data base available to all public schools and public libraries; and
- (2) Authorizing the Department to determine the scope of the criminal history information required for employees and volunteers, and if appropriate, to limit the scope of the criminal history check of volunteers to only those volunteers who may have regular contact with children.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 16, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 16, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Galuteria).

**SCRep. 158 Education and Housing on S.B. No. 145**

The purpose of this measure is to clarify the transfer of responsibility for repair and maintenance of equipment and fixtures in school facilities from the Department of Accounting and General Services to the Department of Education.

Prior to a hearing on this measure, your Committee circulated a Proposed S.B. No. 145, S.D. 1, on February 11, 2009. The purpose of this amended measure is to:

- (1) In part I, clarify the transfer of responsibility for repair and maintenance of equipment and fixtures in school facilities from the Department of Accounting and General Services to the Department of Education;
- (2) In part II, provide a temporary exemption from chapter 103 and 103D, Hawaii Revised Statutes, to the Department of Education in order to expedite construction projects.

Testimony in opposition to the amended measure was submitted by two private organizations. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee has considered the request of the Department of Education to delete both provisions in part I, related to items donated to public schools. Your Committee believes it would be in the best interests of the Department to make it clear to donors that gifts of equipment and fixtures will be the responsibility of the Department, but acceptance is not mandatory.

Your Committee has amended part I of this measure accordingly, by:

- (1) Deleting the proposed amendments to section 302A-1501(b), Hawaii Revised Statutes, and repealing this subsection, regarding responsibility for the cost of electricity and maintenance for air conditioners not installed by the Department; and
- (2) Amending subsection 302A-1503(b), Hawaii Revised Statutes, to clarify that the Department of Education is responsible for the repair and maintenance of donated equipment or fixtures, unless the equipment or fixtures are deemed obsolete, as determined by the Department.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 145, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 159 Education and Housing on S.B. No. 439**

The purpose of this measure is to:

- (1) Authorize the Hawaii Public Housing Authority to develop public housing projects under a partnership or development agreement with a private party;
- (2) Provide exemptions from chapters 103 and 103D, Hawaii Revised Statutes; and
- (3) Require an annual report to the Legislature on the status on all public housing projects developed under partnership or development agreements.

Testimony in support of this measure was submitted by one state agency. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the Board of Directors of the Hawaii Public Housing Authority has authorized the agency to investigate the feasibility of such agreements and partnerships. Your Committee has heard, however, that the Authority does not have the necessary staff and expertise to engage in development partnerships. In addition, the Authority is prohibited from using federal funds to redevelop any state public housing project.

Your Committee understands the concerns raised regarding the need for additional staffing, and encourages further legislative discussion of funding availability.

Your Committee has amended this measure to:

- (1) Clarify that the exemptions from chapters 103 and 103D, Hawaii Revised Statutes, would not apply if restricted by federal law or regulation; and
- (2) Amend the effective date to July 1, 2045, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 439, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 160 Education and Housing on S.B. No. 445**

The purpose of this measure is to provide a temporary exemption from chapters 103 and 103D, Hawaii Revised Statutes, to the Hawaii Public Housing Authority in order to correct the health, safety, and other deficiencies at Kuhio Park Terrace and Kuhio Homes in Kalihi.

Testimony in support of this measure was submitted by one state agency and one private organization. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure would assist the Hawaii Public Housing Authority in correcting deficiencies at two housing projects in need of extensive rehabilitation. Your Committee notes, however, that the exemption provided in this measure would apply only to state funds, not the use of federal funds. Federal regulations require compliance with federal procurement rules when using federal funds.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption would apply to all contracts for state funds related to correcting the health, safety, habitability, and accommodations for disabled resident deficiencies at Kuhio Park Terrace and Kuhio Homes in Kalihi;
- (2) Adding planning, design, and equipment to the list of permitted procurements; and
- (3) Making the Act effective upon approval.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 445, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 161 (Majority) Education and Housing on S.B. No. 497**

The purpose of this measure is to:

- (1) Establish an advisory committee to provide oversight of the Hawaii Teacher Standards Board and provide the Governor with lists of nominees for appointment to the Hawaii Teacher Standards Board;
- (2) Require an annual report of the advisory committee to the Board of Education and the Legislature; and
- (3) Authorize the Hawaii Teacher Standards Board to hire an executive director.

Testimony in opposition to this measure was submitted by three state agencies. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that Senate Concurrent Resolution No. 83, S.D. 1, 2008, requested the Auditor to conduct a study of the Hawaii Teacher Standards Board, including:

- (1) Organizational placement of the Board as an administratively attached agency to the Department of Education;
- (2) The functions and operations of the Board and its similarity to other agencies;
- (3) The Board's long-range planning in relation to appropriate policy foundations, benchmarks, and accountability mechanisms;
- (4) The Board's appeals process; and
- (5) The capabilities of the Board's web-based system, implemented in 2006.

Your Committee understands that the Auditor expects to submit a final report to the Legislature in February 2009. Until the final report is available, your Committee believes this measure provides a vehicle to promote further discussion.

Your Committee has amended this measure by:

- (1) Designating the majority of existing provisions contained in the measure as received by your Committee as part I;
- (2) Adding to part I, from S.B. No. 142, a provision that repeals the July 1, 2009 sunset date on the Hawaii Teacher Standards Board's authority to suspend its policies, rules, and standards when required by extenuating circumstances, and adding additional language that allows the board to determine how it collects license fees;
- (3) Establishing a part II, using language from S.B. No. 204, authorizing the Hawaii Teacher Standards Board to coordinate an effort that creates a data interface network to promote the free interchange of information among public and private Hawaii teacher education institutions and the Department of Education, and appropriating funds for the network;
- (4) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (5) Making technical amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 497, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Galuteria).

**SCRep. 162 (Majority) Education and Housing on S.B. No. 753**

The purpose of this measure is to appropriate funds for security at public housing projects.

Testimony in support of this measure was submitted by on state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that adequate security remains one of the major concerns for both public housing tenants and the Hawaii Public Housing Authority. The Authority currently has a budget of approximately \$1,500,000 for security and estimates that it will need at least double that amount -- \$3,000,000 annually -- to provide adequate security at public housing projects statewide.

Your Committee is in strong support of additional funding for security at public housing projects, and urges the Authority to consider alternative means of providing security, including resident managers and cooperative ventures with the police departments and other law enforcement agencies.

Your Committee has amended this measure by clarifying that the funding is for addressing security in public housing projects, to give the Authority the flexibility to consider these and other alternatives.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 753, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hemmings). Excused, none.

**SCRep. 163 Education and Housing on S.B. No. 758**

The purpose of this measure is to require new for-sale housing developments of the Hawaii Housing Finance and Development Corporation to designate thirty per cent of the units as affordable housing for residents in the low- or moderate-income ranges.

Testimony in support of this measure was submitted by one state agency and one private organization. Testimony in opposition was submitted by one county agency and two private organizations. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committee further finds that while the federal economic stimulus legislation will provide some relief, much more needs to be done at the state level. Your Committee has heard and approved a wide range of proposed affordable housing initiatives and encourages further legislative discussions on the proposal in this measure.

Your Committee has amended this measure to apply only to affordable housing in transit oriented developments by:

- (1) Amending the new section title to reflect this change and accordingly, to read as follows: "Housing development in transit oriented development; exemption from statutes, ordinances, charter provisions, and rules.";
- (2) Specifying that at least thirty per cent of the units shall be affordable housing;
- (3) Adding language related to exemptions from statutes, ordinances, charter provisions, and rules; and
- (4) Adding a definition of "transit oriented development".

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 758, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 758, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Galuteria).

**SCRep. 164 Education and Housing on S.B. No. 1160**

The purpose of this measure is to authorize the Hawaii Public Housing Authority to assess all the units in a public housing project for common expenses.

Testimony in support was submitted by one state agency. Copies of the written testimony are available for review on the Legislature's website.

Your Committee finds that assessing a fee for common expenses will have a twofold benefit. It will:

- (1) Provide a dedicated source of funds for the Hawaii Public Housing Authority to expend on projects, including repair and maintenance, which will benefit all residents of a public housing project; and
- (2) Encourage "ownership" of the public housing project, and its common areas and services, by the residents.

Your Committee understands that the Hawaii Public Housing Authority is reviewing whether federal rules allow assessing the fee on residents of federal public housing projects.

Your Committee has amended this measure accordingly, by:

- (1) Limiting the assessment of a fee to state public housing projects;
- (2) Clarifying that the assessed fee is for common area expenses; and

- (3) Changing the unspecified percentage with respect to the fee to at least one per cent of common area expenses for the housing project.

In addition, your Committee urges the Hawaii Public Housing Authority to define "common area expenses" through rules to ensure that both the Authority and public housing residents are clear regarding the basis of the fee assessment.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1160, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 165 Education and Housing on S.B. No. 1221**

The purpose of this measure is to amend the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after reasonable request or warning to leave by housing authorities or a police officer, and to exclude an invited guest.

Testimony in support of this measure was submitted by one state agency and one private citizen. Testimony in opposition was submitted by one county agency and one private organization.

Your Committee has heard that the proposed language in this measure would be very difficult, if not impossible, for the Honolulu Police Department to enforce. A majority of the public housing projects have no onsite housing authority or security present during all hours of the day. Therefore, a "warning or request to leave" could not be established. In addition, a time period where no warning is necessary is impractical, as the police have no access to resident listings to verify who may be a resident or guest.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the reference to a police officer and the time limitations;
- (2) Adding references to sections 356D-41 and 356D-51, Hawaii Revised Statutes, relating to how a public housing project is defined; and
- (3) Adding a definition of "housing authorities".

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 166 (Joint) Education and Housing and Public Safety and Military Affairs on S.B. No. 1164**

The purpose of this measure is to enact the Interstate Compact on Educational Opportunity for Military Children to remove barriers to educational attainment faced by children of military families due to frequent moves and deployment of parents.

Testimony in support of this measure was submitted by five federal agencies, two state agencies, two private organizations, and nine individuals. Comments were submitted by two state agencies. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that the Interstate Compact on Educational Opportunity for Military Children provides standards addressing issues such as enrollment, placement, and graduation of children whose parents are active duty service members or recent veterans of the military. Rather than suffering frustrations and delays, this Compact would allow military children to integrate quickly into and transition out of Hawaii's classrooms, and greatly improve their quality of life and access to education.

Your Committees further find that the Department of Education already has some transition and integration measures in place for military children in Hawaii. Through the Department's initiatives with the Joint Venture Education Forum, military children have received some of the help they need. Adoption of the Compact will ensure that these initiatives continue and are expanded.

Your Committees understand that the Joint Venture Education Forum will pay for the Compact's membership fees, but that it is not necessary to include this provision in this measure.

Your Committees have amended this measure by:

- (1) Adding a representative of the United States Pacific Command to the State Council on Educational Opportunity for Military Children; and
- (2) Deleting section 2, which specifies that the Joint Venture Education Forum shall pay the membership fees for the State's participation.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1164, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1164, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (English, Gabbard, Hemmings, Tsutsui).

**SCRep. 167 Education and Housing on S.B. No. 535**

The purpose of this measure is to prohibit possession of open liquor containers in public housing common areas and on streets and sidewalks.

Testimony in support of this measure was submitted by two government agencies.

Your Committee finds that Act 34, Session Laws of Hawaii, established the current provisions that no liquor shall be consumed in common areas of public housing projects. However, the police are unable to arrest someone holding a container of beer unless the police observe the person putting the container to their mouth, or unless a witness is willing to testify to that effect. This measure will clarify the prohibition and assist in deterring drinking in common areas of public housing projects, as well as on public highways and sidewalks.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 168 (Majority) Education and Housing on S.B. No. 734**

The purpose of this measure is to establish a special master and an advisory council to develop a comprehensive plan to assist the Hawaii Public Housing Authority in resolving the health and safety violations at public housing projects statewide, and to appropriate funds from the public housing revolving fund.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by two state agencies.

Your Committee has heard that this measure would seemingly create a dual line of authority over a broad range of issues, including health and safety violations, at public housing projects. In addition, testimony pointed to two actions that were recently filed against the Hawaii Public Housing Authority alleging various claims related to health and safety violations at Kuhio Park Terrace and Kuhio Homes against, among others, the Authority.

Your Committee believes that given past instances of state agencies that were not meeting their obligations under state and federal laws, there is a very real possibility that the courts may appoint a special master to assist in resolving the violations raised in the federal and state class action lawsuits. Rather than waiting for that possibility to occur, this measure takes a proactive approach to assisting the Authority in meeting its obligations.

Your Committee further notes that the Chair requested and was willing to consider amendments to address the concerns raised, but no amendments were presented. Your Committee believes this measure offers a timely alternative to a court-ordered special master and urges its continued discussion by all parties involved.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 734 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hemmings). Excused, none.

**SCRep. 169 Education and Housing on S.B. No. 746**

The purpose of this measure is to establish a two-year pilot project within a designated complex area of the Department of Education to:

- (1) Authorize the complex area superintendent to reallocate resources within the schools in the complex area to achieve greater efficiency and cost-effectiveness; and
- (2) Exempt the designated complex area from any department budget reductions or restrictions during the two-year pilot project.

Testimony in opposition to this measure was submitted by one state agency. Comments were submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that current economic conditions require development of initiatives that take advantage of cost efficiencies already available, and expansion of these initiatives. This measure would offer additional opportunities to develop greater savings through the complex area allocations.

Your Committee has considered other options, including designating a percentage of the weighted student formula funds allocated to the schools of the complex to be budgeted by a complex community council made up of the chairs of the school community councils and the principals of the schools in the complex. The funds could be allocated to fix shortages in high priority areas, as identified by the complex community council, and for purchases of common goods and services to gain cost efficiencies. While your Committee understands the reluctance of the Department of Education to exempt the designated complex area from any department budget reductions or restrictions during the two-year pilot project, offering that option would serve as an incentive for the complex.

Your Committee believes these options will benefit from further legislative discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 746 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 170 Education and Housing on S.B. No. 797**

The purpose of this measure is to appropriate funds for advanced placement and International Baccalaureate courses in Hawaii public schools that currently limit or do not offer these courses.

Testimony in support of this measure was submitted by eleven students. Copies of written testimony are available for review on the Legislature's website.

Your Committee has heard of the value of these programs from a number of students enrolled at high schools that currently offer advanced placement and International Baccalaureate courses. These students stressed the academic advantages these programs offer, and several pointed out the economic benefits of taking college level courses while still in high school. Your Committee is in strong support of the expansion of these programs that this measure would provide.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 797 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 171 Education and Housing on S.B. No. 798**

The purpose of this measure is to codify the selection of the student member of the Board of Education in statute and clarify that the Board of Education may determine any restrictions on actions taken by the student member.

Testimony in support of this measure was submitted by one state agency and five individuals. Copies of written testimony are available for review on the Legislature's website.

Your Committee has also heard and adopted a related measure, S.B. No. 799, which proposes a constitutional amendment to clarify the selection of the student member of the Board of Education.

Your Committee finds that the student member of the Board of Education brings valuable perspective and insights regarding the day-to-day educational needs, experiences, and concerns of students in Board discussions. In addition, the Board has indicated that this input and perspective is critical in the development and implementation of sound educational policies.

Your Committee believes that approval of a voting student member of the Board of Education is long overdue, and would bring Hawaii in line with several states, such as California, Maryland, Massachusetts, and Vermont, which have granted voting rights to their student members.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 798 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 172 Education and Housing on S.B. No. 799**

The purpose of this measure is to propose a constitutional amendment to clarify the selection of the student member of the Board of Education.

Testimony in support of this measure was submitted by one state agency and two individuals/students. Copies of written testimony are available for review on the Legislature's website.

Your Committee has also heard and adopted a related measure, S.B. No. 798, which would codify the selection of the student member of the Board of Education in statute and clarify that the Board of Education may determine any restrictions on actions taken by the student member.

Your Committee finds that the student member of the Board of Education brings valuable perspective and insights regarding the day-to-day educational needs, experiences, and concerns of students in Board discussions. In addition, the Board has indicated that this input and perspective is critical in the development and implementation of sound educational policies.

Your Committee believes that approval of a voting student member of the Board of Education is long overdue, and would bring Hawaii in line with several states, such as California, Maryland, Massachusetts, and Vermont, which have granted voting rights to their student members.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 173 Education and Housing on S.B. No. 802**

The purpose of this measure is to require the Department of Education to include a shaded play area or areas of reasonable size on school grounds in its plans for all new elementary schools, and to implement an ongoing program to provide a shaded play area or areas of reasonable size on the grounds of existing elementary schools.

Testimony in support of this measure was submitted by two private organization and one individual. One state agency and two individuals submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

Your Committee supports the intent of this measure, but acknowledges the concerns raised by the Department of Education regarding the most appropriate means of providing protection from sun exposure for Hawaii's students. Your Committee believes that a continuing discussion of alternatives, such as tree planting, or other means should be pursued in addition to this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 802 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 174 Education and Housing on S.B. No. 1294**

The purpose of this measure is to appropriate funds to the Hawaii Public Housing Authority to make necessary repairs, improvements, or upgrades to the public housing projects within its jurisdiction so that the projects will be in compliance with federal and state laws.

Testimony in support of this measure was submitted by two private organizations and one individual. Testimony in opposition was submitted by one state agency. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that this measure would begin to address serious violations at public housing projects. Federal laws require, for example, that a minimum of five per cent of total dwelling units be accessible to persons with mobility impairments, and an additional two per cent of the units must be accessible for persons with hearing or vision impairments. These accessible units would be required to be distributed throughout projects and sites and be available in a sufficient range of sizes and amenities.

Your Committee further finds that the Hawaii Public Housing Authority, by its own admission, is in violation of these accessibility requirements. Your Committee has also heard that the Authority has plans in place to address the deficiencies, and in regards to accessibility compliance, currently has a waiting list for thirty accessible units.

Your Committee further understands that the Authority would require \$4,500,000 to bring these thirty units into compliance with federal requirements, and urges the Committee on Ways and Means to consider a request for \$4,500,000 to improve disability access for thirty public housing units in their deliberations.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1294 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 175 Education and Housing on S.B. No. 1300**

The purpose of this measure is to appropriate funds for six instructor positions for Junior Reserve Officers' Training Corps programs at high schools in the State.

Testimony in support of this measure was submitted by one state agency and six individuals. Copies of written testimony are available for review on the Legislature's website.

Your Committee has heard that Lahainaluna, Kapolei, and Mililani High Schools are currently on waiting lists for establishment of a United States Navy or Army Junior Reserve Officers' Training Corps Program. These schools have completed the preliminary requirements to establish a program and will accept a program as soon as approved by either military service. Based on federal law, the school is required to employ two retired military personnel whose pay is cost shared between the school and military service. Your Committee finds that this measure will ensure that each school will be able to establish a Junior Reserve Officers' Training Corps program upon receiving an offer to host a program by either the United States Army or Navy.

Your Committee has also heard impressive and moving testimony from several young people who currently serve in Junior Reserve Officers' Training Corps programs in Hawaii. They spoke not only of the leadership opportunities that the program provided them, but also about the lifeline it offers for students who are struggling with the temptations of drugs and gang involvement. Your Committee is in strong support of the expansion of the Junior Reserve Officers' Training Corps program that this measure would provide.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1300 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).



**SCRep. 176 (Joint/Majority) Education and Housing and Energy and Environment on S.B. No. 807**

The purpose of this measure is to appropriate funds to establish a recycling program and provide recycling bins for every public school campus in the State.

Testimony in support of this measure was submitted by one state agency and thirteen students. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that many public schools currently recycle aluminum cans and plastic bottles through the State's HI-5 program by incorporating their collection into the school's fundraising programs. Schools on Oahu have also taken advantage of the City and County of Honolulu's Community Recycling Bin program. This measure would take recycling one step further by providing convenient recycling bins on public school campuses.

Your Committees understand the challenge of changing student and adult behavior to ensure that the recycling bins will be used. Many of the students who testified in support admitted that they throw away recyclable materials, usually because there is not a convenient way to recycle. Your Committees believe that the convenience of having recycling bins on campus will give students and their teachers and other adults one more reason to go "green."

As affirmed by the records of votes of the members of your Committees on Education and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 807 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 177 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Judiciary and Government Operations on S.C.R. No. 40**

The purpose of this measure is to urge the Governor and the Attorney General to withdraw the appeal to the United States Supreme Court of the Hawaii State Supreme Court decision, *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, 117 Hawaii 174 (2008).

Testimony in support of this measure was submitted by one state agency, three organizations, and twelve public citizens. Testimony in opposition was submitted by one state agency. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that pursuing the appeal to the United States Supreme Court is detrimental to the interests of all of the people of Hawaii and to the ongoing reconciliation process between the State and the Native Hawaiian people.

Your Committees note that oral argument in the United States Supreme Court for *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, Docket No. 07-1372, is scheduled for February 25, 2009.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 40 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 1 (Slom). Excused, 3 (Gabbard, Takamine, Hemmings).

**SCRep. 178 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Judiciary and Government Operations on S.R. No. 25**

The purpose of this measure is to urge the Governor and the Attorney General to withdraw the appeal to the United States Supreme Court of the Hawaii State Supreme Court decision, *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, 117 Hawaii 174 (2008).

Testimony in support of this measure was submitted by one state agency, three organizations, and twelve public citizens. Testimony in opposition was submitted by one state agency. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that pursuing the appeal to the United States Supreme Court is detrimental to the interests of all of the people of Hawaii and to the ongoing reconciliation process between the State and the Native Hawaiian people.

Your Committees note that oral argument in the United States Supreme Court for *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, Docket No. 07-1372, is scheduled for February 25, 2009.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 25, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 25, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 1 (Slom). Excused, 3 (Gabbard, Takamine, Hemmings).

**SCRep. 179 Commerce and Consumer Protection on S.B. No. 426**

The purpose of this measure is to modify dental licensing laws to allow dentists participating in an accredited, multi-year dental residency program to obtain temporary licensure for the duration of their training.

Your Committee received testimony in support of this measure from the Board of Dental Examiners, Hawaii Primary Care Association, Kookaa Kalihi Valley, Lanai Women's Center dba Lanai Community Health Center, and Lutheran Medical Center. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that there is both universal support and a critical need for this measure. The need for accessible dental services in Hawaii, especially for children who receive Medicaid, is enormous.

Hawaii has some of the worst dental statistics in the nation in terms of dental diseases and unmet treatment needs. On most neighbor islands, it is prohibitively difficult to access dental care at all. This measure would help address current problems by creating a well-trained dental workforce, supporting recruitment and retention of dentists to work in the community, and spurring development of facilities to address the State's dental health needs.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 180 Commerce and Consumer Protection on S.B. No. 55**

The purpose of this measure is to repeal the requirement that public accounting firms obtain a firm permit to engage in the practice of public accountancy in addition to the individual permits required of individual practicing public accountants within the firm.

Your Committee received testimony in support of this measure from two representatives of Hawaii Association of Public Accountants and eight private citizens. Your Committee received testimony in opposition to this measure from the Board of Public Accountancy, Hawaii Society for Certified Public Accountants, and three private citizens. Copies of written testimony are available for review on the Legislature's website.

Under current law, public accounting firms are required to obtain a separate permit for the firm to practice public accountancy in addition to the individual permits required of the persons within the firm who practice public accountancy. The current law empowers the Board of Accountancy to enact rules for awarding firm permits. However, in the twenty years since the current requirements became law, the Board has never enacted those rules. This exposes every public accounting firm in the State to liability under the law for operating without a permit and curtails out-of-state business opportunities for public accounting firms who are forced to remain out of compliance with the State's regulatory framework.

Since the Board has for two decades failed to act pursuant to its designated authority to make rules for firm permits, your Committee finds that the permit requirement for public accounting firms does not serve any important public function and should be abolished. Your Committee finds further that because of the Board's failure to act, the firm permit requirement has become a burden on practitioners of public accounting by affecting their ability to practice and by exposing them to legal liability through no fault of their own.

Your Committee has amended this measure by amending the purpose section to accurately reflect the current state of the administrative rules that govern the practice of public accountancy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 55, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Espero). Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 181 Commerce and Consumer Protection on S.B. No. 34**

The purpose of this measure is to exempt licensed real estate brokers and salespersons acting within the scope of their licenses from the definition of distressed property consultant and prevent real estate brokers and salespersons from acquiring an ownership interest in distressed property within one year after terminating a listing agreement for the distressed property.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Office of Consumer Protection; Hawai'i Association of Realtors; and Realtors Association of Maui, Inc. Your Committee received testimony in opposition to this measure from Mortgage Assistance & Mitigation Group, Legal Aid Society of Hawai'i, and three private citizens. Copies of written testimony are available for review on the Legislature's website.

Under present law, a real estate licensee is prohibited from participating in short sale transactions that allow a homeowner at risk of foreclosure to negotiate a reduced payment price with a lender in order to avoid the long-term consequences of foreclosure. Since real estate licensees are professionally trained in lending and finance, they may have expertise in the area that enables them to assist homeowners in short sale negotiations.

Your Committee recognizes that protecting homeowners who are in a financially vulnerable position is of paramount importance. Your Committee is also aware that the potential for conflicts of interest or abuse does exist when real estate licensees are involved in short sale negotiations. However, your Committee finds that existing civil and criminal penalties in Hawai'i's real estate licensure and fraud-prevention statutes are adequate to protect consumers in real estate transactions, including short sales. This measure also adds additional protections to the current law by prohibiting a real estate licensee from acquiring an ownership interest in property for one year after the property is listed with the licensee for a short sale.

Your Committee has amended this measure by making one nonsubstantive technical change.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 34, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 182      Transportation, International and Intergovernmental Affairs on S.B. No. 714**

The purpose of this measure is to allow all motor vehicles, regardless of number of persons on board, to use high occupancy vehicle lanes or zipper lanes when one or more lanes of traffic have been shut down by law enforcement officers or emergency services personnel.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition was received from the Department of Transportation. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that many traffic incidents cause closure of lanes, whether accidents, car crashes, stalled vehicles, or other issues. This reduction of available travel lanes slows traffic significantly. Allowing the use of the high occupancy vehicle lanes or zipper lanes to any motor vehicle, regardless of the number of passengers when an incident occurs would be the most effective use of lanes.

Your Committee has amended this measure by:

- (1) Inserting two miles from an accident or incident as the radius within which the shutdown of a laned roadway may give rise to the use of a high occupancy vehicle lane or zipper lane by a vehicle, regardless of the number of persons carried; and
- (2) Conferring authority upon the Director of Transportation to declare an emergency to allow the use of high occupancy vehicle lanes or zipper lanes by vehicles, regardless of the number of persons carried, during emergencies.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 183      Education and Housing on S.B. No. 645**

The purpose of this measure is to increase the reserved housing requirement for a planned development to twenty-five per cent of floor space in the Kakaako community development district, mauka area for lots three acres or more in size.

Testimony in support of this measure was submitted by two private organizations and two individuals. Testimony in opposition was submitted by two private organizations. Comments were submitted by one state agency and two private organizations. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents, and that all alternatives should be considered.

Your Committee believes that the amendments made to this measure strengthen the State's commitment to increasing affordable housing development in Hawaii.

Your Committee has amended this measure to apply to the reserved housing requirement for a planned development in the Kakaako community development district, mauka area for lots 80,000 square feet or more in size, by:

- (1) Adding a definition of "area median income" and "residential floor area", and deleting the definition of "floor area", "master planned area", "median income", and "reserved housing";
- (2) Deleting references to lots of less than three acres;
- (3) Clarifying that for a planned development on a lot of between 20,000 and 80,000 square feet, at least twenty per cent of the units shall be reserved housing units;
- (4) Deleting specific provisions related to the cost and size of reserved housing units;
- (5) Deleting the rulemaking requirements before and after January 1, 2010; and
- (6) Amending the purpose section to reflect these changes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 645, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 645, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 184 Education and Housing on S.B. No. 205**

The purpose of this measure is to:

- (1) Increase the period prohibiting sale or lease by an owner-builder from one to two years unless the sale is due to unforeseen circumstances; and
- (2) Require that an exemption from contractor licensing requirements is given no more than once in three years.

Testimony in support of this measure was submitted by two state agencies and one private organization. Testimony in opposition was submitted by one private organization. Comments were submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will enhance enforcement of laws against unlicensed contracting activity by increasing the restriction on post construction sale and requiring owner-builders to comply with certain contractor law requirements.

Your Committee has heard a number of concerns raised by this measure and thanks the interested parties for their efforts to strike a compromise on amendments.

Your Committee has amended this measure by:

- (1) With regard to the prohibition on the sale or lease by an owner-builder, requiring the Contractors License Board to determine what may constitute circumstances beyond the control of the owner or lessee; and
- (2) Adding a new subsection (e) to section 444-9.1, Hawaii Revised Statutes, stating that any person who obtains a permit under section 444-2(7), Hawaii Revised Statutes, shall comply with all of the requirements specified in the disclosure statement, and that failure to comply is a violation of that section.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 205, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 185 (Majority) Education and Housing on S.B. No. 1249**

The purpose of this measure is to provide incentives for the recruitment and retention of public school teachers.

Specifically, the measure:

- (1) Establishes a teacher housing allowance program to assist teachers willing to work at geographically isolated schools or schools with hard-to-fill vacancies;
- (2) Appropriates funds to repair and maintain teacher housing;
- (3) Establishes and provides funds for a teacher peer review program;
- (4) Adds a section that requires the Department of Education to provide incentives to experienced teachers to relocate to Hawaii;
- (5) Establishes and funds a Hawaii beginning teacher induction center pilot program; and
- (6) Requires the Dean of the University of Hawaii College of Education to develop a teacher shortage elimination plan.

Testimony in support of this measure was submitted by three state agencies and two individuals. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds the recruitment and retention of qualified teachers is a priority for Hawaii's public schools. This is particularly difficult for teaching positions in geographically isolated areas or schools with hard-to-fill vacancies within the State.

Your Committee further finds that addressing the problem successfully will require a variety of alternatives and urges continued legislative discussions on the components included in this measure.

Your Committee has amended this measure by:

- (1) Amending the Teacher Housing Allowance Program to provide a maximum of \$300 per month for the first three years of employment;
- (2) Establishing a Homeownership for Educators Program and a second mortgage revolving trust fund, originally contained in S.B. No. 730;
- (3) Amending the peer review program provisions of the measure to require the Department of Education to expand its existing induction and mentoring program to all schools, complex areas, and districts and include a peer review program for new teachers, and deleting references to the Hawaii State Teachers Association;
- (4) Deleting the Hawaii Beginning Teacher Induction Center pilot program, and requiring the Department of Education to report to the Legislature regarding its teacher induction and mentoring program;
- (5) Deleting development of a teacher shortage elimination plan by the College of Education at the University of Hawai'i at Manoa, and requiring the Department of Education to report to the Legislature on statewide efforts to reduce teacher shortages; and

- (6) Making a technical amendment to reflect the preferred drafting style.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee 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 referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Galuteria).

**SCRep. 186 (Joint) Education and Housing and Labor on S.B. No. 747**

The purpose of this measure is to implement several of the Educational Workforce Working Group's recommendations for addressing workforce development issues in the State by:

- (1) Developing a comprehensive tracking system for students grades kindergarten to twelve as they move into the workforce and appropriating funds to establish the system;
- (2) Establishing a community-business education exchange coordinator to nurture stronger partnerships between the community and the schools and appropriating funds for personnel and expenses;
- (3) Appropriating funds for enhancement of the Department of Education's volunteer website;
- (4) Extending the Educational Workforce Working Group established pursuant to Act 283, Session Laws of Hawaii 2007, for two additional years, adding a website, and providing funding for the Working Group; and
- (5) Appropriating funds for working adult scholarships.

Testimony in support of this measure was submitted by three state agencies. Testimony in opposition was submitted by one state agency. Two state agencies provided comments. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that developing a skilled workforce in a competitive global economy requires improved student achievement, and that the public high school dropout rate of 16.5 per cent must to be reduced quickly. In addition, additional opportunities are needed for working adults to upgrade skills through continuing education and training.

Your Committees further find that Act 283, Session Laws of Hawaii 2007, established the Educational Workforce Working Group. The Working Group's report to the Legislature included seven recommendations that will result in graduates who are ready and motivated to pursue additional training and education, or move seamlessly into the workforce. This measure incorporates a number of those recommendations.

Your Committees have amended this measure by:

- (1) Adding the Department of Business, Economic Development, and Tourism to the agencies assisting in developing a comprehensive tracking system and adding a requirement to report to the Legislature regarding the system;
- (2) Clarifying the role and duties of the community-business education exchange coordinator position;
- (3) Requiring the Educational Workforce Working Group to enhance the current Career and Technical Education Web site, rather than create a new one; and
- (4) Adding two members to the Working Group.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 747, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 747, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Hee, Kidani, Hemmings, Slom).

**SCRep. 187 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 737**

The purpose of this measure is to authorize mixed-use housing projects and infrastructure projects that are associated with a housing or mixed-use housing project to be eligible for the expedited review process currently offered by the Hawaii Housing Finance and Development Corporation to qualifying housing projects.

Testimony in support of this measure was submitted by two state agencies and one private organization. Testimony in opposition was submitted by one county agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committees are concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committees further find that while the federal economic stimulus legislation will provide some relief, much more needs to be done at the state level. Your Committees have heard and approved a wide range of proposed affordable housing initiatives and encourages further legislative discussions on the proposal in this measure.

Your Committees have amended this measure by:

- (1) Extending the time a county legislative body shall act on mixed-use housing projects, or infrastructure projects associated with a housing or mixed-use housing project, from forty-five to ninety days; and

- (2) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 737, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 737, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 1 (Slom).

**SCRep. 188 (Joint/Majority) Transportation, International and Intergovernmental Affairs and Education and Housing on S.B. No. 740**

The purpose of this measure is to:

- (1) Direct the Department of Land and Natural Resources and the Hawaii Housing Finance and Development Corporation to identify public lands within one-half mile of Honolulu's transit corridor and within a one-mile radius of any designated transit station suitable for affordable housing;
- (2) Require the Governor to set aside the identified public lands for housing development; and
- (3) Require the Hawaii Housing Finance and Development Corporation to report to Legislature.

Testimony in support of this measure was submitted by one state agency and one private organization. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committees are concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committees further find that the City and County of Honolulu's mass transit project offers exceptional opportunities for the development of affordable housing. Your Committees have heard and approved a wide range of proposed affordable housing initiatives in transit oriented development and encourage further legislative discussions on the proposal in this measure.

Your Committees have amended this measure by:

- (1) Requiring consultation with the Commission on Transit Oriented Development, proposed to be established pursuant to section 6 of S.B. No. 442, in identifying public lands within one-half mile of Honolulu's transit corridor and within one mile of any transit station;
- (2) Adding a severability clause to ensure that the provisions of this measure will not be adversely affected if S.B. No. 442 is not enacted; and
- (3) Adding a provision for the Revisor of Statutes to reference the appropriate section of the Hawaii Revised Statutes that corresponds to the codified provisions of S.B. No. 442, if enacted.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 740, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 740, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, 1 (Slom). Excused, 2 (Galuteria, Nishihara).

**SCRep. 189 Energy and Environment on S.B. No. 584**

The purpose of this measure is to ban the use of non-biodegradable plastic shopping bags in Hawaii, on the basis that these bags are a hazard to the natural environment.

Testimony in support of this measure was submitted by four private organizations and four individuals. Testimony in opposition to this measure was submitted by two private organizations. Comments were submitted by a state department and one private organization. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that plastic bags contribute to Hawaii's solid waste problem and also pose a consistent threat to avian and marine life in Hawaii. Your Committee finds that, although plastic bags are being recycled, there is still more that we can do.

In response to comments from the Hawaii Food Industry Association, your Committee has amended this measure by:

- (1) Clarifying the measure by deleting the words "petroleum" and "fossil-fuel-based" throughout; and
- (2) Substituting more accurate language regarding the biodegrading process.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 584, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 584, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kokubun).

**SCRep. 190 (Majority) Energy and Environment on S.B. No. 709**

The purpose of this measure is to impose a moratorium on genetically modifying any Hawaiian taro within the State of Hawaii and on testing, planting, or growing any Hawaiian taro within the State that has been genetically modified outside the State.

Testimony in support of this measure was submitted by one state agency, three private organizations, and three individuals. Testimony in support, with comments or suggested amendments, was submitted by one private organization and eight individuals. Testimony in opposition was submitted by two state departments, one private organization, and four individuals. In particular, several testifiers supported the intent of this measure, but stated a preference for H.B. No. 1663, as that measure includes all taro grown in Hawaii, instead of only specific varieties of Hawaiian taro, and specifically states that it is not a referendum on the merits of biotechnology nor is it applicable to any other crop.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that taro is a uniquely important plant that has genealogical, spiritual, and cultural links with Native Hawaiians and Hawaii. As described in the testimony submitted by several taro farmers, your Committee also finds that the methodology of growing taro makes unintentional mixing of non-genetically modified varieties of taro with genetically modified taro a real possibility.

Your Committee has amended this measure by replacing its contents with the contents of H.B. No. 1663, adopting the recommendations of several testifiers.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 709, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Hemmings). Excused, none.

**SCRep. 191 Energy and Environment on S.B. No. 1675**

The purpose of this measure is to facilitate and encourage the development of renewable energy development in Hawaii by amending the net energy metering law.

Specifically, this measure:

- (1) Makes net energy metering available to customers leasing or purchasing renewable electricity;
- (2) Prohibits unreasonable denying, burdening, or delaying of net energy metering service requests;
- (3) Increases the maximum allowable capacity of customer generators;
- (4) Removes the calculation of the maximum customer generator total rated generating capacity from being dependent upon utility peak demand;
- (5) Removes the Public Utilities Commission's ability to set generating and maximum capacity, provide exemptions from generating capacity requirements to islands or utility grid systems, and amend rate structures, standard contracts, and tariffs;
- (6) Enables customer generators to be paid for excess kilowatt-hours without a power purchase contract;
- (7) Ensures validity of net energy metering contracts even if crediting or compensation mechanisms are changed;
- (8) Increases the kilowatts a customer generator may produce before additional requirements may be imposed;
- (9) Directs the adoption of rules to establish best practices interconnection standards for renewable energy generating facilities; and
- (10) Disallows utilities from turning away additional customer generators due to the combined total peak generating capacity of customer generators in the service area.

Testimony in support of this measure was submitted by six private organizations. Testimony in support of the intent, with comments or recommendations, was submitted by two state departments. Testimony in opposition was submitted by one private organization. Comments were submitted by one state department. In particular, there were comments from several testifiers questioning the necessity of compensating customer-generators for annual excess production of energy. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that, by raising the net metering system cap size, this measure allows commercial customers with larger energy bills to invest in renewable energy systems to reduce their electrical load in the same way smaller commercial customers are currently able to do. Your Committee also finds that, by eliminating the limit on the number of net metering systems, this measure will also provide some certainty to developers or builders who are contemplating installing systems, allowing them to take advantage of net metering.

Your Committee has amended this measure by deleting the requirement that customer-generators be compensated for annual excess production of energy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1675, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 192 Energy and Environment on S.B. No. 1185**

The purpose of this measure is to encourage the use of electric vehicles and reduce the State's dependence on petroleum-based sources of energy by establishing an electric vehicle income tax credit in an unspecified amount.

Testimony in support was submitted by four private organizations and two individuals. Testimony in support of the intent of the measure was submitted by two state departments and one private organization. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that, as automakers throughout the world begin to refine, develop, and produce electric vehicles for consumer use, it is imperative that Hawaii lead the efforts in transforming its transportation systems to support electric vehicles. This measure will help to make electric vehicles more affordable and spur more widespread adoption of the technology in the State.

Your Committee has amended this measure by revising it to include standard income tax credit eligibility, filing, and claiming language and by changing the effective date so that the tax credit applies to taxable years beginning after December 31, 2008.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1185, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 193 (Majority) Energy and Environment on S.B. No. 239**

The purpose of this measure is to require growers and testers of genetically engineered plants in the State to notify the Department of Agriculture regarding the existence of these plants, and to require the Department of Agriculture to make certain information about genetically modified plant projects accessible to the public.

Testimony in support of the measure was submitted by four private organizations and one individual. Testimony in support, with comments, was submitted by one individual. Testimony in opposition to the measure was submitted by two state departments, three private organizations, and three individuals. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is essentially a "good neighbor" policy that requires those who grow genetically engineered crops in Hawaii to make basic information about the planting accessible to farmers, gardeners, and the general public via a notice to the Department of Agriculture. Although there may be issues regarding proprietary information and vandalism concerns, your Committee feels that it is important for conventional and organic farmers in Hawaii to know whether or not they need to undertake measures to keep their crops free of genetically engineered content.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 239, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 2 (Kokubun, Hemmings). Excused, none.

**SCRep. 194 Judiciary and Government Operations on S.B. No. 118**

The purpose of this measure is to limit the time period in which the collection of a tax by levy or court proceeding may commence to ten years after assessment of the tax.

This measure applies to the following taxes: income, general excise, transient accommodations, use, fuel, conveyance, rental motor vehicle and tour vehicle surcharge, hospital and nursing facility, and insurance.

Your Committee received testimony in support of this measure from the Chamber of Commerce of Hawaii; Hawaii Society of Certified Public Accountants; Chun, Kerr, Dodd, Beaman & Wong; and three individuals. Testimony in opposition was received from the Department of Taxation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that taxpayers should have the benefit of ascertaining with certainty at a future time when their tax liability comes to an end. The federal government imposes a ten-year statute of limitations on the collection of delinquent taxes. According to testimony, Hawaii is one of only four states that presently does not have some form of statute of limitations on tax collections.

Your Committee finds that current law providing for a three year limitation on assessment may need to be changed if a ten year statute of limitation period is imposed. Your Committee believes that the three year assessment limitation period and the proposed ten year statute of limitation period may need to be amended as this measure progresses.

Your Committee has amended this measure by making conforming and clarifying amendments on the recommendation of the Department of Taxation, and changing the effective date to July 1, 2050, to continue the discussions in this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 118, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 118, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 195 (Majority) Judiciary and Government Operations on S.B. No. 1343**

The purpose of this measure is to establish fees in statute for various administrative transactions that were previously set by administrative rule.

Your Committee received testimony in support of the intent of this measure from the Department of Land and Natural Resources. Testimony in opposition was received from the Department of Commerce and Consumer Affairs; Hawaii Housing Finance and Development Corporation; and the Department of Education. Comments were received from the Hawaii Community Development Authority. Copies of written testimony are available for review on the Legislature's website.

Your Committee has amended this measure by:

- (1) Deleting the provision establishing the penalties relating to dam and reservoir violations;
- (2) Deleting the provisions relating to the A-plus program and after-school programs;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussions on this matter; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1343, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 196 (Majority) Judiciary and Government Operations on S.B. No. 1105**

The purpose of this measure is to enact procedures for the filing and consideration of reports, studies, and audits conducted by executive departments and agencies, the Auditor, and the Legislative Reference Bureau.

Testimony in support of the measure was submitted by two organizations. Two state agencies submitted comments.

Your Committee finds that reports submitted to the legislature presently may not receive any follow-up by the legislature. This measure establishes a procedure for public hearings or briefings on reports submitted to the legislature.

Your Committee has amended the measure by:

- (1) Expanding its applicability to reports submitted by the Judiciary and the Office of Hawaiian Affairs;
- (2) Requiring that copies of the reports also be filed with the Legislative Reference Bureau library to better enable the library to serve as a repository of studies and reports submitted to the Legislature;
- (3) Clarifying that the requirements of this measure are in addition to those in section 93-16, Hawaii Revised Statutes, which also requires posting on the Internet;
- (4) Deleting the purpose section; and
- (5) Changing the effective date of the measure to facilitate further discussion.

Copies of written testimony are available for review on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1105, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Bunda). Noes, 1 (Slom). Excused, none.

**SCRep. 197 Judiciary and Government Operations on S.B. No. 1103**

The purpose of this measure is to establish a system to conduct a systematic review of existing Hawaii laws to determine which of these laws should be repealed or amended.

Specifically, this measure creates a commission on effective legislation under the Ombudsman, to be chaired by the Ombudsman. The measure stipulates the Director of the Legislative Reference Bureau as the vice-chairperson and designates not less than five department heads representing the state executive departments, the Chief Justice, and the President of the University of Hawaii as members; provided that the Governor is required to appoint the department heads, upon the recommendation of the Senate President and the Speaker of the House of Representatives, and may add or substitute department heads not more frequently than every two years.

In addition, this measure:

- (1) Requires the commission to:
  - (A) Review all existing laws;
  - (B) Solicit public comment to facilitate its review;

- (2) Requires the Ombudsman to:
- (A) Provide notification and convene a commission meeting not less than every two years prior to the convening of the Regular Session of the first year of each legislative biennium;
  - (B) Submit a biennial report to the Legislature no later than twenty days prior to the convening of the Regular Session of the first year of each legislative biennium; and
  - (C) Include in its report on any determination by an executive department that an existing law is ineffective.

Testimony in support of this measure was submitted by two organizations. Three state agencies submitted comments.

Your Committee finds that the concept of this measure is meritorious, although, as written, may be difficult to implement operationally. It is clear that:

- (1) Hawaii's legislation should be effective;
- (2) This effectiveness can and should be maintained and promoted by the elimination of obsolete, redundant, conflicting, or ambiguous provisions; and
- (3) Some sort of mechanism should be established by which Hawaii legislation may be periodically reviewed.

Your Committee is concerned however, that the measure's directive to employ "effectiveness" as a criterion for review will create an incorrect perception that the commission is intended to function as a kind of mini Legislature--which is not the case. For the commission to determine that the State's Penal Code is "ineffective" and thus subject to repeal or a specific amendment because crime continues to occur would grossly exceed the commission's intended purview, yet such action could fall within the commission's stated function, as expressed in this measure. Considerations and determinations of this kind are inextricably intertwined with larger public policy issues. Whether any specific law is deemed "effective" or not requires policy determinations that should not be delegated to a body other than the Legislature.

Your Committee finds that an appropriate role for this commission would be to focus its review of Hawaii's laws to determine whether they are obsolete, redundant, conflicting, or ambiguous and thus in need of amendment or repeal. This function should be an ongoing effort to ensure that Hawaii's laws remain rational, clear, coherent, and sensible. Your Committee also finds it important to clarify that the scope of the commission's responsibility should be one of reviewing the Hawaii Revised Statutes. While this may seem obvious, your Committee believes that this matter should be clarified at the outset because a simple reference to the "law" of the State could also include all of the common law. Your Committee finds that an ongoing effort to review the Hawaii Revised Statutes will be a more than substantial undertaking for this commission.

Further, to ensure that the most efficient use is made of the staffs of the Office of the Ombudsman and the Legislative Reference Bureau, your Committee finds that the commission should be directed to take an approach that is more narrowly tailored to achieve the Legislature's objectives. Your Committee finds that the efforts of the commission can be used more efficiently and productively by responding to matters that are brought to its attention for review by legislators, state and county agencies, and the general public. Rather than placing an emphasis on an effort to review all fourteen volumes of the Hawaii Revised Statutes within a specific period, your Committee believes that priority should be given to matters raised by agencies and individuals who work with the statutes and encounter the problems of obsolescence, duplication, ambiguity, and "disconnects" on a regular basis. By following this approach, your Committee finds that it may be possible to redirect many of the "housekeeping" measures that are introduced to the Legislature each year to consideration by the commission and consolidation into its reports.

Finally, your Committee finds that the commission needs to have representation from the counties.

After careful consideration, and in light of the foregoing, your Committee has amended this measure by:

- (1) Requiring the Senate President and the Speaker of the House of Representatives, rather than the Governor, to each appoint three members of the commission who shall be state department heads;
- (2) Allowing the Senate President and the Speaker of the House of Representatives to jointly appoint additional department heads or substitute department heads of different executive departments not more frequently than every two years;
- (3) Removing the Chief Justice as a member of the commission. In testimony submitted to your Committee, the Judiciary expressed concerns about being placed into conflicts of interest if the Judiciary has participated in the commission's deliberations on modifying statutes that become the subject of litigation before the state courts;
- (4) Adding four representatives of the counties, one each to be appointed by the mayor of each of the respective counties;
- (5) Clarifying that the commission meets and operates on an ongoing basis, rather than convening once every two years;
- (6) Clarifying that the purpose of the commission is to promote and maintain the effectiveness of legislation codified within the Hawaii Revised Statutes and to ensure the statutes remain rational, clear, coherent, and sensible by reviewing existing statutes on an ongoing basis to determine whether a statute is obsolete, redundant, conflicting, ambiguous, and thereby in need of repeal or amendment;
- (7) Providing that the commission shall adopt a focused approach by reviewing problems concerning existing laws within the Hawaii Revised Statutes that are brought to its attention by legislators, state and county agencies, and members of the public;
- (8) Requiring the commission to make a determination in each case and incorporate its findings and recommendations in reports to the Legislature not less than once every other year;
- (9) Making the effective date July 1, 2070, to facilitate further discussion; and

(10) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

Copies of written testimony are available for review on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1103, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Ayes with Reservations, 2 (Bunda, Slom). Noes, none. Excused, none.

**SCRep. 198 Labor on S.B. No. 1181**

The purpose of this measure is to require the Department of Labor and Industrial Relations to use a standard reporting form to report the fringe benefit rate paid to laborers who perform work for the construction of public works projects.

Fringe benefits are a component of the prevailing wage, which is required to be paid to laborers on public works projects pursuant to chapter 104, Hawaii Revised Statutes. In making prevailing wage determinations, Act 229, Session Laws of Hawaii 2005, requires the Director of Labor and Industrial Relations to select the modal rate, or the rate of the greatest number of employees in the State, as the prevailing wage rate in a corresponding class of laborers. Since this requirement favors collective bargaining rates for certain classifications due to the large number of union workers in certain labor markets, the Department of Labor and Industrial Relations uses this method to calculate prevailing wage rates for union workers, and conducts surveys or uses average wages to determine prevailing wage rates for labor classifications that do not have corresponding union rates or modal rates.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current reporting of fringe benefits by employers is inadequate, and that there should be a reasonable way for laborers to determine the itemization of their fringe benefits through public records. Employers are currently only required to check a box indicating that they are in compliance with the payment of fringe benefit wages required under chapter 104, Hawaii Revised Statutes. Hourly wages, but not fringe benefits, are listed as itemized payments to prove compliance.

Your Committee finds that the Department of Labor and Industrial Relations already conducts annual surveys to determine prevailing wage rates for job classifications that are not updated according to prevailing wage rates from collective bargaining agreements, and that the provision in this measure to conduct biannual surveys is unnecessary. Your Committee also finds that the portion of the proposed section 104-2(b)(1)(C), Hawaii Revised Statutes, that lists the required itemizations for the fringe benefit reporting form would be more appropriately codified under section 104-3, Hawaii Revised Statutes, relating to payrolls and payroll records.

Your Committee notes the concern that requiring the reporting of certain fringe benefit information on certified payroll may reveal proprietary information. However, your Committee believes that fringe benefits are monies that belong to the laborers and that laborers, therefore, should be able to easily access the itemization of their fringe benefits.

Your Committee has accordingly amended this measure as follows:

- (1) By eliminating the portion of the proposed section 104-2(b)(1)(C), Hawaii Revised Statutes, that requires the Department of Labor and Industrial Relations to determine the prevailing cost of fringe benefits through a biannual survey;
- (2) By deleting the portion of the proposed section 104-2(b)(1)(C), Hawaii Revised Statutes, that lists the required itemizations of the fringe benefit reporting form, and reinserting it into section 104-3(a), Hawaii Revised Statutes;
- (3) By amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (4) By making technical, nonsubstantive amendments for the purposes of clarity and consistency and to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1181, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 199 (Joint/Majority) Labor and Human Services on S.B. No. 1203**

The purpose of this measure is to require the Office of Community Services to establish a mandatory community service program by January 1, 2012, for all Hawaii residents between the ages of sixteen and twenty.

Testimony in support of this measure was submitted by one organization and two individuals. Testimony in opposition to this measure was submitted by one individual. The Office of Community Services supported the intent of this measure. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees consider community service to be an honor, especially in Hawaii where residents have a strong sense of helping others and particularly during times of economic hardship.

Your Committees find that the mandatory community service program proposed in this measure would encourage active participation in communities, give youth a vested interest in the future of the State, offer economic incentives to Hawaii's students, and provide a benefit to Hawaii's youth that they might choose to otherwise forgo, not realizing until later the benefit of community service.

Your Committees note the concern of the Office of Community Services that a mandatory community service program for youth may not be an appropriate responsibility for the Office of Community Services, given its duties under current laws.

Your Committees also note the comment that a voluntary community service program with appropriate incentives might better effectuate the intent of this measure, and find that this measure is a work in progress that may serve as a framework to revive community service in Hawaii.

Your Committees find that further discussion, facilitated by the Office of Community Services, is necessary to determine additional information, appropriate resources, and recommended legislation to implement an effective community service program.

Your Committees have accordingly amended this measure as follows:

- (1) By amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (2) By making technical, nonsubstantive changes to correct typographical errors and for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1203, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1203, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 2 (Hemmings, Slom). Excused, 1 (Hee).

**SCRep. 200 (Joint) Labor and Transportation, International and Intergovernmental Affairs on S.B. No. 690**

The purpose of this measure is to allow for the exchange or movement of civil service employees between the State and any county, between counties, between the federal government and the State, or between the federal government and any county; provided that certain conditions are met.

Testimony in support of the intent of the measure was submitted by one state agency, two county agencies, and one organization. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the provisions of this measure were previously codified by section 76-36, Hawaii Revised Statutes, which was repealed by Act 253, Session Laws of Hawaii 2000. Currently, temporary exchanges and movement of civil service employees between state, county, and federal government jurisdictions is authorized under section 78-27, Hawaii Revised Statutes.

Your Committees further find that allowing intergovernmental movement and exchanges would restore to permanent civil service employees certain rights, benefits, and privileges previously provided by the law.

Your Committees agree with the Department of Human Resources Development's proposed amendments and additional conditions governing intergovernmental exchanges and movement.

Accordingly, your Committees have amended the measure as follows:

- (1) Allowing only permanent civil service employees to participate, and requiring that participating employees be exchanged or moved to permanent civil service positions;
- (2) Requiring employees to meet public employment requirements in addition to the minimum qualification and other requirements of the class or position to which they are to be exchanged or moved;
- (3) Requiring that employees be selected through an open-competitive civil service recruitment process conducted by the gaining jurisdiction;
- (4) Requiring that employees serve an initial probation period with the gaining agency in a permanent civil service position, pursuant to section 76-27, Hawaii Revised Statutes; and
- (5) Adding definitions for the terms "sending jurisdiction" and "gaining jurisdiction".

As affirmed by the records of votes of the members of your Committees on Labor and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 690, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 690, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 201 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Public Safety and Military Affairs on S.B. No. 1315**

The purpose of this measure is to transfer the Division of Conservation and Resources Enforcement from the Department of Land and Natural Resources to the Department of Public Safety.

Testimony in opposition of this measure was submitted by two state agencies, three organizations, and eleven public citizens. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of the state government is necessary to ensure that all available avenues have been explored to accomplish more with fewer resources.

Your Committees recommend that a financial analysis of the fiscal impact and savings for transferring the Division of Conservation and Resources Enforcement to the Department of Public Safety be conducted by the Committee on Ways and Means.

Your Committees have amended this measure by amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1315, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1315, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Kidani, Takamine, Hemmings).

**SCRep. 202 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1116**

The purpose of this measure is to establish an Organic Agriculture Task Force under the administration of the Department of Agriculture to develop a business plan for the Hawaii Organic Food Center, and to appropriate funds for the Task Force to carry out its purpose.

Testimony in support of this measure was submitted by one organization. Two organizations supported the intent of this measure, and one state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Organic farming practices are beneficial to human health and towards the preservation of environmental quality because these practices emphasize sustainability, enhance soil health, and promote the practice of growing agricultural products without the use of toxic substances. While organic farming is an important building block for maintaining and preserving the State's scenic and environmental resources, it is also an essential element in creating economic viability and preserving the quality of life in rural and agricultural communities.

According to a national study, approximately two per cent of the United States food supply is grown using organic methods and the nationwide retail sales of organic food and beverages in 2005 totaled approximately \$12,800,000,000. There are over ninety organic farms in Hawaii, which produce organic products such as coffee, macadamia nuts, bananas, pineapples, ginger, mangoes, citrus fruits, avocados, tomatoes, and salad greens. The Hawaii Organic Farmers Association, an accredited third party certification agency for the United States Department of Agriculture's National Organic Program, estimates that organic farming is a \$5,000,000 to \$10,000,000 per year industry in Hawaii.

Your Committee finds there is currently a high and increasing demand for organic produce that exceeds the State's locally produced organic food supply, and to meet this demand, local produce markets and large mainland chain stores must import organic produce from the mainland and other countries. The importation of organic produce can result in a higher number of invasive species that are inadvertently brought into the State upon arrival, and can adversely impact the State's agriculture sector, economy, and sustainable food supply.

Your Committee has amended this measure by amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1116, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 203 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1228**

The purpose of this measure is to clarify that commercial fishing operations can transfer ownership without losing necessary permits and without a transfer fee being imposed.

Testimony in support of this measure was submitted by fifteen public citizens. One state agency submitted comments, and testimony in opposition was submitted by one public citizen. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that section 200-10, Hawaii Revised Statutes, allows a corporation to transfer any or all stock or other interest to another person without terminating the right of the corporation or business entity to retain or renew its commercial use permit issued by the Department of Land and Natural Resources. The Attorney General, in a recent opinion, determined that permits issued to fishing corporations are not transferable. Thus, commercial fishing operators who purchased operations including mooring permits are prevented from transferring ownership of their business operations.

Your Committee has amended this measure by adopting the recommendation of a public citizen to delete the exemption from transfer fees for commercial fishing operation transfers.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1228, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1228, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 204 (Joint) Education and Housing and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 729**

The purpose of this measure is to increase the percentage of the conveyance tax paid into the rental housing trust fund from the current allocation of thirty per cent to sixty-five per cent.

Testimony in support of this measure was submitted by two state agencies, one county agency, six private organizations, and one individual. Two state agencies and one private organization submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committees are concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committees further find that while the federal economic stimulus legislation will provide some relief, much more needs to be done at the state level. Your Committees have heard and approved a wide range of proposed affordable housing initiatives and encourage further legislative discussions on the proposal in this measure.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 729 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Ayes with Reservations, 2 (Kokubun, Takamine). Noes, none. Excused, 4 (Bunda, Fukunaga, Tsutsui, Hemmings).

**SCRep. 205 Energy and Environment on S.B. No. 1260**

The purpose of this measure is to eliminate a disincentive to pollution reduction by removing the cap on fees for air pollutant emissions.

Testimony in support of this measure was submitted by two private organizations. Comments were submitted by one state department. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that as presently enacted Hawaii's Clean Air Act allows large sources of air pollution to pay less per ton of air emissions than smaller sources of air pollution. Your Committee finds that, while closing this loophole may result in increased costs that are passed onto consumers, the existing provision is inequitable for smaller sources of air pollution and a disincentive for very large sources of air pollution to reduce emissions.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1260 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kokubun).

**SCRep. 206 Energy and Environment on S.B. No. 1671**

The purpose of this measure is to prohibit new or expanded fossil fuel power plants in order to align the State's energy policy with the State's preferred clean energy future.

Testimony in support of this measure was submitted by one state department and one private organization. Testimony in support of the intent, with comments, was submitted by a state department and a private organization. Comments were submitted by a private organization. Copies of written testimony are available for review on the Legislature's website.

This measure prohibits both the construction of new electricity generating facilities and the modification of existing facilities with a rated capacity of more than two megawatts if the construction or modification utilizes fossil fuel services to generate the electricity. The prohibition would commence on July 1, 2009.

Your Committee finds that it is critical that decisions be made to wean the State off of its dependence on foreign oil. Hawaii's economic, environmental, and energy security demand that the State reduce the amount of fossil fuel imported and consumed in Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1671 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Kokubun).

**SCRep. 207 (Joint) Energy and Environment and Economic Development and Technology on S.B. No. 1066**

The purpose of this measure is to move the Natural Energy Laboratory of Hawaii Authority (NELHA) to the Department of Budget and Finance for administrative purposes, increase the number of directors for the NELHA from eleven to thirteen, modify the appointment process for directors, and remove the requirement that the chairperson and secretary of the Research Advisory Committee serve as directors.

Comments on this measure were submitted by one state department. Testimony in opposition was submitted one state department and one private organization. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that there are compelling reasons to retain NELHA under its current arrangement with the Department of Business, Economic Development, and Tourism. Further, your Committees find that it may not be in the best interests of NELHA to revamp the board of directors by excluding certain current represented interests. However, your Committees also find that NELHA tenants should be represented on the board.

Your Committees have amended this measure by:

- (1) Retaining NELHA within the Department of Business, Economic Development, and Tourism for administrative purposes; and
- (2) Retaining the existing structure, composition, and method of selection of the board of directors, with the addition of two tenant representatives to be elected by NELHA tenants.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1066, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1066, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Ige, Ihara).

**SCRep. 208 (Joint) Energy and Environment and Economic Development and Technology on S.B. No. 1303**

The purpose of this measure is to create an energy initiative that will establish Hawaii as one of the principal leaders in research, commercialization, and application of new ground-based and space-based energy technologies.

Testimony in support of this measure was submitted by one private organization and one individual. Testimony supporting the intent of the measure was submitted by one private organization. Testimony in opposition to the measure was submitted by one state agency and one private organization. Comments were submitted by one individual. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that this measure would complement the Hawaii Clean Energy Initiative by establishing a government-industry consortium that would seek federal and private industry research and development funds and other resources for renewable energy technology. Additionally, your Committees also find that this measure would encourage new investment in Hawaii, creating more jobs with better pay for our residents.

Your Committees have amended this measure by deleting the specific funding amounts in order to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1303, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1303, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Ige, Ihara).

**SCRep. 209 (Joint) Energy and Environment and Economic Development and Technology on S.B. No. 1065**

The purpose of this measure is to exempt the Natural Energy Laboratory of Hawaii Authority ("NELHA") from regulation by the Public Utilities Commission if sales of energy are made to users located on adjacent property that is leased from the State.

Testimony in support of this measure was submitted by NELHA. Comments were submitted by the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy (the "Consumer Advocate"). Copies of written testimony are available for review on the Legislature's website.

The Consumer Advocate indicated that while it may be reasonable to exclude NELHA from rate setting, commitment of funds, and other sections applicable to regulating an investor-owned utility, NELHA should be required to meet performance and safety standards required for transmission and distribution of energy if NELHA intends to transmit energy using the utility's grid.

Your Committees find that this measure would make it possible for NELHA to transmit power to adjoining state agencies, reducing their cost of conducting the business of the State. Your Committees find that it would not be appropriate, however, for NELHA to be wholly excluded from regulation.

Your Committees have amended this measure to adopt the Consumer Advocate's recommendations, and by requiring NELHA to meet performance and safety standards required for transmission and distribution of energy if NELHA intends to transmit energy to adjacent users using the utility's grid.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1065, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1065, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Ige, Ihara).

**SCRep. 210 (Majority) Economic Development and Technology on S.B. No. 1678**

The purpose of this measure is to adopt changes to Hawaii's tax law that will allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement.

Testimony in support of this measure was submitted by Hawaii Government Employees Association, Hawaii Association of Realtors, Retail Merchants of Hawaii, and the Democratic Party of Hawaii. Comments on this measure were submitted by the Department of Taxation. Written testimony presented to your Committee is available for review on the Legislature's website.

Your Committee finds that for Hawaii to participate in the Streamlined Sales and Use Tax Agreement, it is necessary for Hawaii to amend its tax law to be in conformance with the tax laws of the Streamlined Sales and Use Tax Agreement. The purpose of the Streamlined Sales and Use Tax project is to establish a streamlined sales and use tax collection system that is seamless for sellers in a global economy, while respecting the sovereignty of state borders. Hawaii's participation in the national Streamlined Sales and Use Tax Agreement will level the playing field between local, "bricks and mortar" retailers who pay their state general excise taxes and out-of-state retailers (primarily mail order and e-commerce merchants) who have not, up to this point, had to collect and remit the existing use tax on purchases by Hawaii residents.

Between 1967 and 1992, two Supreme Court cases (National Bella Hess case, 1967; and the Quill decision, 1992) prohibited states from requiring out-of-state sellers to collect sales taxes on purchases made by state residents, primarily because of the burdens on retailers of complying with forty-six different sales tax systems, and the monetary cost for retailers. However, in 2000, state officials, along with private sector/retail representatives, began developing a simpler, uniform, and fair system of sales and use taxation to accomplish four purposes:

- (1) Removing the burden on retailers;
- (2) Preserving state sovereignty;
- (3) Leveling the playing field for all retailers; and
- (4) Enhancing the ability of United States companies to compete in the global economy.

The urgency of state participation in the Streamlined Sales and Use Tax project has been heightened with the shift to a service-based economy, erosion of sales tax revenues due to e-commerce, and the current economic conditions. For example, an updated 2004 study entitled *Sales and Local Tax Revenue Losses from E-Commerce, Estimates as of July 2004*, conducted by Doctors Donald Bruce and William Fox of the Center for Business and Economic Research at the University of Tennessee estimated that, by 2008, the revenue loss for state and local governments would range between \$21,500,000,000 and \$33,700,000,000, with the greatest losses occurring in states that rely most heavily on the sales tax as a revenue source (emphasis added). Hawaii's estimated share of this loss ranged between \$86,000,000 and \$130,300,000 for 2008. However, Hawaii ranks seventh among all states in the United States, with its general excise tax (GET) collections accounting for 50.2% of all state tax collections. As a result, Hawaii is more vulnerable than most in terms of its heavy reliance on GET revenues for its tax base; its GET base is vulnerable to sharp fluctuations in visitor traffic to Hawaii – which can result in reduced retail, hospitality, restaurants, entertainment and related spending. This means that the proportional share of sales tax burdens borne by Hawaii's local retailers and businesses is that much greater when compared against the use taxes not being collected by their competitors.

In less than six years, states participating in the Streamlined Sales and Use Tax project have worked, with the assistance of the private sector, to develop a new sales tax system that is fairer, simpler, more uniform and technologically proficient. Today, nineteen states (Arkansas, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, New Jersey, North Carolina, North Dakota, Oklahoma, Rhode Island, South Dakota, Vermont, Washington, West Virginia, and Wyoming) have already enacted legislation to become full members of the Streamlined Sales and Use Tax Agreement. Another three states (Ohio, Tennessee, and Utah) are currently associate members and are expected to be in full compliance with the Streamlined Sales and Use Tax Agreement by July 1, 2009. As of January 28, 2009, eleven states, including California, will consider conforming to the Streamlined Sales and Use Tax Agreement this year. Among the states in which 2009 compliance legislation has been introduced are Florida, Georgia, Hawaii, Illinois, Maryland, Massachusetts, Missouri, Texas, Virginia, and Wisconsin. In total, almost half of all the states with a sales tax have enacted legislation to comply with the changes required under the Streamlined Sales and Use Tax Agreement.

Since October 1, 2005, over 1,166 retailers have volunteered to begin collecting sales taxes for member states; and those states have collected over \$334,000,000 in previously-uncollected revenues for sales taxes on transactions involving out-of-state retailers. The voluntary collection process, however, is just the first step in providing Congress with the evidence that states working together have sufficiently streamlined their tax systems to require remote sellers to collect their sales taxes for them. In reviewing the listing of participating states and their experiences with voluntary collections, your Committee finds that Hawaii's reliance on its GET for over fifty per cent of annual tax collections would mean that the State's revenue losses would be more like those states with high percentages of sales tax collections for their revenue base, rather than population alone.

In 2008, the Streamlined Sales and Use Tax Governing Board and project supporters have made congressional action on the federal streamlined sales tax legislation a key strategic goal. United States Senator Daniel Inouye has joined as a co-sponsor of The Sales Tax Fairness and Simplification Act in the United States Senate, S. 34; and United States Representative Neil Abercrombie has joined as a co-sponsor of the Sales Tax Fairness and Simplification Act, H.R. 3396. Your Committee notes that, with Hawaii's congressional leadership joining in the national effort to approve the state-initiated streamlined sales/use tax system, it is critical for Hawaii's policymakers to take the necessary steps to fine-tune Hawaii's general excise and use tax laws so they will meet the national mandate. With the election of President Obama in 2008, the National Conference of State Legislatures (NCSL) and its project supporters are seeking congressional action on the federal streamlined sales tax legislation to close the gap between falling tax revenues and state budgets. Your Committee therefore endorses this year's state streamlined sales tax compliance legislation to assure that every effort to collect outstanding Hawaii sales and use taxes is made before reducing critically-needed government services.

Your Committee has examined and rejected the concern regarding implementation costs raised by the Department of Taxation. This issue would have substantially more merit if it were the first time the concern was being raised, and the Legislature had not dealt with the issue before. However, streamlined sale tax compliance legislation has been introduced during each of the past four legislative sessions, with the 2005 legislation establishing a working group comprised of representatives of the Department of Taxation, House of Representatives, State Senate, and other private sector stakeholders.



Between 2006-2008, the Legislature supported legislation to assist the Department of Taxation in upgrading its tax software system (Integrated Tax Information Management System, or "ITIMS") to provide an effective means of long-term implementation of streamlined sales tax compliance at minimal cost. The Department's system upgrade efforts would, for the most part, have been funded through increased tax collections resulting from various software enhancements and improved collection capabilities. Unfortunately, legislation to upgrade the Department of Taxation's tax software system failed to pass in 2006-2007 – and when it did finally pass in 2008, it was vetoed. For the Department of Taxation to now raise the issue of 'implementation costs' is completely unjustified. Your Committee notes that in 2006, the Department of Taxation estimated implementation costs of \$15,370,055; in 2008, the Department projected costs of between \$5,900,000 and \$9,600,000 for two alternative scenarios. In 2009, the Department of Taxation has estimated its costs would be about \$375,312 if it adopted a relatively simple, non-computer systems approach.

With respect to another concern raised by the Department of Taxation, specifically that the amount of voluntary collections would be minimal – or about \$1,000,000 to \$5,000,000 annually, your Committee believes that the Department's estimates are inaccurate. In the Auditor's 2006 study titled *Implications of the Streamlined Sales Tax Agreement for General Excise Tax Revenues* evaluated the benefits of the State of Hawaii's participation in the Streamlined Sales and Use Tax Agreement implementation, Dr. William Fox examined tax data for one year – 2005 – in concluding that Hawaii's participation in the national project was warranted. Dr. Fox further concluded that voluntary collections by out-of-state retailers would yield \$10,300,000 in additional tax revenues per year. More importantly, the Streamlined Sales Tax Governing Board is currently updating the study of Dr. Bruce and Dr. Fox, and anticipates receiving the updated analysis on lost tax revenues shortly. This means that, as the United States Congress and President Obama review the best means of assisting cash-strapped states, the Streamlined Sales Tax Project will have the most current data and analysis available for evaluation.

Your Committee has amended this measure by:

- (1) Switching the order of sections 8 and 9;
- (2) Amending the terms "charges for mobile telecommunications services" and "serving carrier" to have the same meanings as provided in section 239-22, Hawaii Revised Statutes;
- (3) Updating the purpose section; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1678, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

#### **SCRep. 211 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 639**

The purpose of this measure is to authorize the Department of Land and Natural Resources to issue residential leases in state parks, and establish an advisory committee to monitor compliance with the leases.

Testimony in support of this measure was submitted by five public citizens. One state agency submitted comments, and testimony in opposition was submitted by eight public citizens. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the Department of Land and Natural Resources requires more flexibility to negotiate and enter into long-term residential leases for state park land. Long-term lessees can provide valuable services for state parks. For example, the Kahana Valley State Park is a model for such endeavors.

In 1965, the State condemned the ahupua'a o Kahana for use as a state park, making it the only landowner in the State of Hawai'i, outside of the Robinson family on Ni'ihau, to own an intact ahupua'a. An ahupua'a, a triangular slice of land running from the mountains to the ocean, was the major land division used by pre-contact Hawaiians, as it included all of the elements necessary for their existence: the uplands, the lowlands, the shore, and the ocean.

While the families living in Kahana at the time of the condemnation were of varied ethnic backgrounds, many of them were Native Hawaiian, and the people of Kahana in general lived a simple, subsistence lifestyle in harmony with Native Hawaiian values and traditions. The people of Kahana lobbied the legislature after the condemnation to allow them to stay in Kahana and preserve this rural Native Hawaiian-influenced lifestyle. In 1970, a Governor's task force proposed the concept of a living park that would allow the families to stay and in some way participate in the park. The Governor recommended the concept to the Department of Land and Natural Resources. The residents were allowed to stay on the land under revocable leases.

The State determined that as a condition of their lease, each Kahana family would contribute twenty-five hours of interpretive services per month to the park, to preserve, restore, and share the history and rural lifestyle of the ahupua'a with the public.

Act 5, Session Laws of Hawaii 1987, authorized the Department of Land and Natural Resources to issue long-term residential leases to persons who had lived continuously in Kahana Valley or had permits allowing them to reside on certain parcels of land within Kahana Valley. As a condition of holding a lease, these qualified persons agreed to participate in interpretive programs in Kahana Valley State Park.

Thirty-one original families qualified for the long-term residential leases. However, descendants of six families that did not originally qualify for long-term residential leases remained in Kahana Valley State Park. The Department of Land and Natural Resources recently started eviction actions against these six families.

Your Committee understands that Kahana Valley State Park serves the whole community. Interpretive programs designed and offered by lease holders, residents, and lineal descendants of Kahana Valley provide students of all ages, from the university level to

elementary, the opportunity to experience the traditional Hawaiian lifestyle. The interpretive programs are a successful collaboration thanks to the tireless efforts of lease holders, residents, and lineal descendents.

Your Committee has heard from many lineal descendents of Kahana Valley families who want to return. One public citizen, whose family resided in Kahana Valley since the 1800's, served in the Army for twenty years before returning. Now, that public citizen travels daily to Kahana Valley to maintain his father's taro field and participate in interpretive programs. There is no opportunity for kupuna to return to Kahana Valley, which the public citizen notes is necessary to perpetuate the culture and teach younger generations.

Your Committee understands that many participants in interpretive programs are lineal descendents of Kahana Valley families who do not qualify for long-term leases under Act 5, Session Laws of Hawaii 1987, as amended, and that the criteria used to determine long-term lease eligibility needs to be addressed in a collaborate setting.

Your Committee notes that the lease holders, residents, and lineal descendents of Kahana Valley should have a meaningful say in planning the future of Kahana Valley State Park. Your Committee urges the Department of Land and Natural Resources to engage in a dialogue with the residents and lineal descendents on the issues raised during testimony. Kahana Valley is a unique residential and cultural site, and it is understandable that those who are connected with Kahana Valley want to return as lessees. Your Committee further notes that the six families who have eviction actions against them should have the opportunity to reconcile their issues.

Your Committee has amended this measure by:

- (1) Renaming the advisory committee as the planning council;
- (2) Removing the Office of Hawaiian Affairs from the planning council;
- (3) Deleting the sunset date of June 30, 2014; and
- (4) Making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 639, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 639, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Fukunaga).

#### **SCRep. 212 Economic Development and Technology on S.B. No. 1299**

The purpose of this measure is to include businesses engaged in providing advanced flight simulator training for pilots, dispatchers, mechanics, or air traffic controllers as a qualified business for purposes of the enterprise zone laws.

Testimony in support of this measure was submitted by Former Governor George Ariyoshi, the Department of Business, Economic Development, and Tourism, the Hawaii Community College, Enterprise Honolulu, Global Aeronautics LLC, and the Boeing Company. Comments on this measure were submitted by the Department of Taxation. Written testimony presented to your Committee is available for review on the Legislature's website.

Your Committee finds that including businesses engaged in advanced flight simulator training as a qualified business for enterprise zone purposes will attract investment and promote growth of that industry in Hawaii. Your Committee also finds that requiring that the investment be made in a designated enterprise zone will help to revitalize some of the economically distressed communities in Hawaii.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, as introduced, would result in an annual revenue loss to the State of \$210,000. Their methodology is as follows:

The Department of Taxation estimates that there would be seven flight training schools located in Hawaii and that each training school would average an annual general excise tax liability of \$30,000, thus a total general excise tax loss to the State of \$210,000 each year.

Your Committee has asked the Department of Taxation to work jointly in producing an economic benefits analysis to reflect a more balanced evaluation of the economic activity to be generated through this measure. Ramsey R. Pedersen, the Special Assistant for Program Development at Honolulu Community College, estimates that an advanced flight simulator training center located at Honolulu International Airport would cost approximately \$3,500,000. The training center would employ approximately four technicians, five flight trainers, one manager, one business accountant, two maintenance staff, and two clerical staff, for a total of fifteen new jobs. Mr. Pedersen further estimates that a typical client for advanced flight simulator training would pay between \$85,000 and \$103,000, depending upon the client's training specifications. Mr. Pedersen states that Hawaii has an opportunity to become a leader in world-class technologically advanced and integrated flight-training for global clients.

Your Committee has amended this measure by changing the effective to July 1, 2050, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

#### **SCRep. 213 (Joint) Transportation, International and Intergovernmental Affairs and Commerce and Consumer Protection on S.B. No. 1611**

The purpose of this measure is to provide revenue for highway modernization projects.

Specifically, the measure:

- (1) Increases the state liquid fuel tax, state vehicle registration fee, state vehicle weight fee, and rental motor vehicle surcharge tax;
- (2) Creates the land transportation modernization special fund;
- (3) Provides funding for a six-year comprehensive modernization program;
- (4) Authorizes the implementation of one or more pilot programs to test alternatives to current state and county system of motor vehicle fuel taxes; and
- (5) Requires the Department of Transportation to implement the vehicle miles traveled pilot program.

Your Committees received testimony in support of this measure from the Department of Transportation; Department of Taxation; Pacific Resource Partnership; and Hawaii Developers' Council. Testimony in opposition was received from Avis & Budget Rent A Car Hawaii; Alamo Rent A Car; Enterprise Rent-A-Car; National Car Rental; Catrala-Hawaii; Hertz Corp.; and Dollar Rental Car. Comments were received from the Honolulu Driver Licensing Administrator, Tax Foundation of Hawaii, and Hawaii Transportation Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that:

- (1) In order to meet the economic needs of the State and preserve the unique quality of life of its residents and visitors to these precious islands, the Department of Transportation must provide safe, efficient, and effective land transportation facilities and infrastructure for the movement of people and goods;
- (2) A modern and efficient land transportation infrastructure system is essential to a healthy and vibrant economic future;
- (3) Congestion on our highway systems has severe detrimental impacts on our economy and the quality of life of Hawaii's people; and
- (4) The condition of our highway system continues to deteriorate at alarming and unacceptable rates.

Your Committees further find that the Department of Transportation's ability to fulfill its critical infrastructure responsibilities with fixed resources is an extreme challenge that continues to intensify due to programmatic and project needs far exceeding the necessary resources available and needed to properly address them. The land transportation system will continue to deteriorate as demand for travel continues to increase, and as costs to manage, construct, and administer the system increase. Opportunities to expand the system come at too high a consequence.

Your Committees are cognizant of the greater challenges in expanding capacity through new or existing traffic corridors as adjoining lands become more urbanized. As open space diminishes, the potential impacts of new capacity enhancement projects become ever more deleterious. Since the easier, more cost effective routes have often already been used and improvements implemented, the remaining traffic corridor alternatives or options often come with greater geographic and construction challenges, and higher associated costs.

Your Committees also find that infrastructure deterioration continues to progress, with vehicle miles traveled increasing faster than the State's ability to construct additional lanes of travel, thereby resulting in greater congestion. The morning commute on H-1 Freeway from Kapolei into downtown Honolulu has risen to an average of sixty-five minutes and is expected to increase every year. There is a significant human cost to congestion, with ten minutes of time spent in traffic, equating to approximately \$600 per person, per year, and \$3,300 per commercial vehicle, per year.

The Department of Transportation has developed a \$4,000,000,000 comprehensive six-year work plan and financial plan to implement critical programs and projects. As a part of this effort, the Department of Transportation seeks a one-time, infusion of \$2,000,000,000 in capital to aid in rectifying critical deficiencies by pursuing those programs and projects that have the greatest potential to improve the performance categories relating to safety, congestion, system preservation, and other programs and initiatives.

The overall six-year work program is broken down by performance category, by county, and by transportation corridors to better manage, monitor, and inform the public on the progress being made in improving performance. By accelerating the implementation of the identified programs and projects, the Department of Transportation seeks major improvements in the identified performance categories.

Your Committees have amended this measure by:

- (1) Deleting the rental motor vehicle surcharge tax increase, which is included in a separate measure;
- (2) Deleting references to the economic conditions of the State as triggering the tax increases;
- (3) Making the entire measure effective on July 1, 2012, on the recommendation of the Department of Transportation; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1611, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1611, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Ige, Sakamoto, Hemmings, Slom).

**SCRep. 214 (Joint) Judiciary and Government Operations and Commerce and Consumer Protection on S.B. No. 522**

The purpose of this measure is to require the assistant registrar of land court to electronically transmit to the Honolulu real property assessment administrator an index of all deeds and other writs that have been filed or recorded each week relating to the registered land in all the counties.

Your Committees received testimony in support of this measure from the Honolulu Real Property Assessment Administrator, Hawaii County Finance Department, Maui Department of Finance, and one individual. Testimony in opposition was received from the Department of Land and Natural Resources. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure would enable the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices of real property for the purposes of determining more accurate real property tax assessments.

Testimony on this measure indicated that the Department of Land and Natural Resources is presently working with the counties to resolve the problem addressed by this measure. Therefore, this measure codifies in statute the current procedural practice.

Your Committees note the concern of the Department of Land and Natural Resources relating to the ten day time limit for providing the image and index of instruments, which does not account for delays due to electronic malfunction. Therefore, your Committees have amended this measure to allow for a time limit as soon as possible after the ten days if unforeseen technical malfunctions occur.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 522, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 522, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 3 (Bunda, Gabbard, Hemmings).

**SCRep. 215 (Joint) Public Safety and Military Affairs and Tourism on S.B. No. 222**

The purpose of this measure is to appropriate funds for the application of a spaceport license from the Federal Aviation Administration to establish space tourism in Hawaii.

Testimony in support of this measure was submitted by one state agency, two private organizations, and two individuals. Testimony in opposition of this measure was submitted by one private organization. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that submitting an application for a spaceport license with the Federal Aviation Administration is a tremendous opportunity for the State to develop and take advantage of a financially prosperous industry. Your Committees also find that creating a new industry in Hawaii will provide benefits to existing industries, such as tourism, and also provide new jobs and educational opportunities for our communities. Your Committees further find that the geographic location of Hawaii is in an ideal location for the State and spaceport operators to be successful.

Your Committees have amended this measure by deleting the appropriation of \$500,000 for fiscal year 2009-2010 and leaving the appropriation amount unspecified.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 222, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 222, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Gabbard, Tsutsui, Slom).

**SCRep. 216 (Majority) Public Safety and Military Affairs on S.B. No. 83**

The purpose of this measure is to authorize the State Auditor to conduct a performance audit of three private correctional centers on the mainland that incarcerate Hawaii inmates.

Testimony in support of this measure was submitted by six private organizations and eight individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is fiscally responsible and sound public policy for the State Auditor to conduct a performance audit of correctional centers that incarcerate Hawaii inmates when those privately owned and operated facilities are operating pursuant to a contract with the State of Hawaii.

Your Committee has amended this measure by:

- (1) Correcting an internal reference; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 83, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 83, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Hemmings). Excused, 2 (Gabbard, Galuteria).

**SCRep. 217 (Majority) Public Safety and Military Affairs on S.B. No. 537**

The purpose of this measure is to establish an aerospace advisory committee to assist the Legislature and state agencies in development of aerospace industry in the State.

Testimony in support of this measure was submitted by one state agency, two private organizations, and one individual. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the establishment of an aerospace advisory committee would help to facilitate and grow the development of the aerospace industry in Hawaii. Your Committee further finds that the aerospace advisory committee would work closely with various state agencies and the Legislature in providing written reviews, policy recommendations, and strategic objectives to continue to facilitate the growth of the industry throughout the State.

Your Committee has amended this measure by:

- (1) Correcting an erroneous statutory reference; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 537, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 537, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Hemmings). Excused, 2 (Gabbard, Galuteria).

**SCRep. 218 Public Safety and Military Affairs on S.B. No. 621**

The purpose of this measure is to:

- (1) Establish the Hawaii reserve component military family relief special fund to be used for providing emergency economic relief to families of members in the Hawaii National Guard or federal military reserve that are deployed out of Hawaii; and
- (2) Create an income tax check-off to fund the Hawaii reserve component military family relief special fund.

Testimony in support of this measure was submitted by two state agencies and one private organization. Comments on this measure were provided by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that families in Hawaii who have a member of their family deployed out of Hawaii for service in the Hawaii National Guard or federal military reserve are sometimes in need of financial assistance. Your Committee further finds that creating a special fund designated to provide emergency economic relief to those families will help to alleviate the economic hardships they face while their family member is deployed out of Hawaii.

Your Committee has amended this measure by deleting the establishment of the income tax check-off to fund the Hawaii reserve component military family relief special fund.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 621, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 219 Public Safety and Military Affairs on S.B. No. 626**

The purpose of this measure is to require the Office of Veterans' Services to pay a mortuary for the services of a deceased veteran and to pay for the transport of that deceased veteran's remains to the Philippines.

Comments on this measure were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the payment of mortuary services for a deceased veteran and the costs for the remains to be transported back to the Philippines will enable the families of deceased New Filipino Scouts that served in World War II to obtain closure with the veteran's passing.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 626, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 220 Public Safety and Military Affairs on S.B. No. 896**

The purpose of this measure is to clarify that positions in the Hawaii National Guard youth and adult education programs are not subject to civil service requirements.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that providing an exemption from civil service for positions in the Hawaii National Guard youth and adult education programs will assist the Department of Defense in recruiting, attracting, and retaining highly qualified instructors and managers since the positions will fall outside the civil service salary constraints.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 896, S.D. 1, and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 221 Public Safety and Military Affairs on S.B. No. 898**

The purpose of this measure is to exempt any care home, school, or hotel from civil liability that would result in the payment of compensation to persons injured when those facilities are used to shelter-in-place during an officially designated emergency.

Testimony in support of this measure was submitted by one state agency and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that providing this exemption from civil liability will promote an increase in the number of private entities that choose to be designated as a shelter-in-place facility during an officially designated emergency.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 898, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 222 Public Safety and Military Affairs on S.B. No. 1059**

The purpose of this measure is to establish an illegal fireworks task force to develop a plan and make recommendations to the Legislature to stop the importation of illegal fireworks and explosives into Hawaii.

Your Committee received testimony in support of this measure from the State Fire Council; Kauai Fire Department; Legislative Information Services of Hawaii; American Lung Association; and Pinky's 5 Eight. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will organize various agencies to work collaboratively on solutions to better enforce the growing distribution and use of illegal fireworks in our communities. Each year, the use of illegal fireworks, namely aerials by unlicensed, nonprofessional persons, continues to increase. These illegal fireworks pose a fire and life safety risk and danger to the public. Enhanced enforcement strategies among state, county, and federal agencies are essential to address the problem.

Your Committee has amended this measure by expanding the task force membership to include the following entities: Department of Agriculture; Consumer Product Safety Commission; Federal Aviation Administration; Federal Bureau of Alcohol, Tobacco and Firearms; and Federal Customs Service.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1059, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 223 Public Safety and Military Affairs on S.B. No. 1147**

The purpose of this measure is to clarify that the Governor has the authority to declare a disaster emergency.

This measure also requires State Civil Defense to report information on the disaster to the Governor, Legislature, and the mayor of each county after the Governor has declared a disaster emergency.

Testimony in support of this measure was submitted by one state agency and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that providing the Governor with the power to declare a disaster emergency will help to expedite necessary actions to mitigate any damages or losses. Your Committee further finds that requiring the Vice-Director of Civil Defense to provide certain governmental leaders with a preliminary report will assist those leaders in assessing any losses from the disaster and also help with preparations for any future disaster emergencies.

Your Committee has amended this measure by:

- (1) Increasing the number of days that the Vice-Director of Civil Defense has to issue a preliminary report from sixty days to ninety days;
- (2) Deleting the word natural in referencing disasters; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee 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 referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 224      Public Safety and Military Affairs on S.B. No. 1213**

The purpose of this measure is to prevent any court from commencing a proceeding to enforce a lien or foreclosure action against real property owned by a reservist of the United States Armed Forces or member of the Hawaii National Guard until that reservist or member is redeployed from active duty for a period of one year.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it can take a considerable amount of time for a reservist of the United States Armed Forces or member of the Hawaii National Guard who is deployed out of Hawaii to readjust themselves upon their return from deployment to attend to personal financial matters in a satisfactory manner.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1213, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 225      Health on S.B. No. 528**

The purpose of this measure is to continue the requirement that businesses engaged in the sale of cigarettes and other tobacco products at the retail level acquire a retail tobacco permit.

The measure accomplishes this purpose by repealing the sunset clause in Act 131, Session Laws of Hawaii 2005.

Your Committee received testimony in support of this measure from the Department of Taxation, Coalition for a Tobacco-Free Hawaii, Papa Ola Lokahi, the American Heart Association, Healthy Mothers Healthy Babies Coalition of Hawaii, and one individual. The Attorney General submitted testimony in support of the measure with amendments. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii, and one individual.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that it is necessary to continue the retail tobacco permit program which has successfully facilitated the compliance and collection of cigarette taxes in the State.

Your Committee has amended this measure by adopting the recommendations of the Attorney General by including a purpose section explaining why the sunset provision is being repealed and by changing the effective date to June 30, 2009, to avoid the possibility of this Act taking effect after the sunset date of July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 528, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 226      (Joint/Majority) Higher Education and Health on S.B. No. 43**

The purpose of this measure is to:

- (1) Create the John A. Burns School of Medicine special fund;
- (2) Assess a \$60 fee to obtain or renew physician and osteopathic physician licenses, and transfer those fees from the compliance resolution fund for deposit into the special fund for Hawaii physician workforce assessment and planning; and
- (3) Appropriate funds to support the assessment.

Testimony in support of this measure was submitted by the Hawaii State Rural Health Association and one individual. Testimony in opposition was submitted by the Department of Budget and Finance and the Hawaii Medical Association. Comments were submitted

by the Department of Commerce and Consumer Affairs. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees are supportive of the intent of this measure, but have heard a number of concerns raised regarding its provisions, including how information should be collected, the sharing of confidential data, and costs.

Your Committees concur that the information to be collected from the physician workforce assessment is vital, considering the ongoing shortage of physicians practicing in Hawaii. Your Committees understand that interested stakeholders have been working towards including questions as part of physician renewal, which would initiate data gathering efforts for the John A. Burns School of Medicine, without placing undue burden on the Department of Commerce and Consumer Affairs or the Hawaii Medical Board.

Your Committees commend the parties for their cooperation, and urge the Department of Commerce and Consumer Affairs and the Hawaii Medical Board to continue their collaborative work with the John A. Burns School of Medicine in their efforts to provide information related to physician workforce assessment. Your Committees suggest that these entities also consider consulting other stakeholders, such as the Hawaii Medical Association, and others they deem appropriate.

Your Committees have amended this measure by:

- (1) Clarifying that the uses of the John A. Burns School of Medicine special fund shall include maintaining accurate physician workforce assessment information in a secure data base, and providing or updating personal and professional information; and that the John A. Burns School of Medicine may disclose information specific to any physician only with the express written consent of that physician;
- (2) Deleting comparable language from the new section in chapter 453, Hawaii Revised Statutes, which establishes the physician workforce assessment fee;
- (3) Requiring the physician workforce assessment fee only for license renewal;
- (4) Replacing the amendment to section 26-9(o), Hawaii Revised Statutes, with a comparable provision in Session Laws regarding the transfer of physician workforce assessment fees from the compliance resolution fund to the John A. Burns School of Medicine special fund;
- (5) Adding the Hawaii Medical Board to the recipients of the annual and biennial reports, and requiring the report to the Hawaii Medical Board to include information on the expenditure of fees collected to produce a physician workforce plan for Hawaii;
- (6) Repealing the physician workforce assessment fee and the transfer of fees from the compliance resolution fund on June 30, 2012; and
- (7) Making a technical amendment for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Higher Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 43, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 43, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Ayes with Reservations, 1 (Green). Noes, 1 (Slom). Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 227 Human Services on S.B. No. 918**

The purpose of this measure is to clarify existing law so that the notice of intent to place a lien on the real property of a Medicaid recipient will be valid if provided to the recipient or the recipient's legal representative, surviving spouse, child, or designated representative.

Testimony in support of this measure was submitted by the Department of Human Services and the Department of the Attorney General. Testimony in opposition to this measure was submitted by the Statewide Independent Living Council. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Human Services is required to place a lien on the real property of Medicaid recipients in nursing homes under certain circumstances, to secure recovery of Medicaid payments from the recipient's estate. Section 346-29, Hawaii Revised Statutes, allows applications for public assistance to be made by the applicant or a person acting on the applicant's behalf.

Your Committee also finds that the Department of Human Services has frequently encountered problems placing liens and filing claims because people claim that a legal representative must receive the notice of intent to place a lien in order for the notice to be valid, and a legal representative is often difficult to locate.

Your Committee believes that this measure will provide greater flexibility in the law to allow recipients' designated representatives, spouses, and children to represent recipients in the lien process; thereby allowing the State to recover Medicaid payments from recipients' estates.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 918 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).



**SCRep. 228 Public Safety and Military Affairs on S.B. No. 231**

The purpose of this measure is to authorize the fee on a parolee or probationer's application for a transfer out of Hawaii to be deposited into the probation services special fund and not the general fund.

This measure also authorizes the full-time coordinator position to supervise interstate adult offender transfers to be funded from the probation services special fund and limits the Hawaii State Judiciary's expenditures from the probation services special fund to \$400,000 in any fiscal year.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is necessary to have a full-time coordinator supervise and oversee interstate adult offender transfers from Hawaii to a correctional facility or prison outside of Hawaii. Requiring the parolee or probationer to pay a fee with their transfer application will help to subsidize the costs associated with interstate adult offender transfers and alleviate the Judiciary's need to use more than \$400,000 of the probation services special fund to administer interstate adult offender transfers.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 231 and recommends that it pass Second Reading and be referred to the Committees on Ways and Means and Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 229 Public Safety and Military Affairs on S.B. No. 563**

The purpose of this measure is to prohibit counties from enacting fireworks ordinances that are less restrictive than state law.

Your Committee received testimony in support of this measure from the State Fire Council; Honolulu Fire Department; Kauai Fire Department; and American Lung Association. Comments were received from the Legislative Information Services of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Current law prohibits counties from enacting fireworks ordinances that are more restrictive than state law. The intent of this measure is to remove that prohibition, clarifying that counties may enact ordinances that are more restrictive than state law.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 563 and recommends that it pass Second Reading and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 230 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1345**

The purpose of this measure is to provide fair compensation, including an automatic lease extension, for lessees when the Department of Land and Natural Resources withdraws, takes, or condemns any portion of the land preventing the lessee from using the land for the purposes for which it was originally leased.

Testimony in support of this measure was submitted by one organization and two public citizens. Testimony in opposition was submitted by one state agency. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that in order to effectuate the widening of Saddle Road, in the County of Hawaii, the Department of Land and Natural Resources established conservation easements on all or a portion of the lands of ranchers holding public land leases for pasture or special livestock use. Consequently, the lessee ranchers suffered serious financial losses.

In this regard, the Department of Land and Natural Resources determined that a conservation easement should be established on approximately six thousand acres of leased lands, preventing the lessees from grazing cattle on the land and effectively depriving the lessees of their use of the land. The Department of Land and Natural Resources reduced the lease rent in proportion to the taking of the land; however, according to information received by your Committee, the lessees who lost use of the land received no other compensation. The final report on discussions with affected ranchers in connection with the Saddle Road realignment project prepared in response to Act 236, Session Laws of Hawaii 2001, states that the United States Department of Transportation Highways Division will provide compensation to the existing lessees, however, according to the lessees, the Department of Land and Natural Resources took the position that because Hawaii law did not provide for any compensation, none was required. Despite the lack of compensation, the lessees are required by their leases to maintain insurance on the land and pay taxes for the land. In addition, several lessees had to reduce their herd and suffered a financial loss as a result of the sale of the cattle. One of the long-term effects of a reduced herd is that lessees cannot mitigate the long-term, fixed costs associated with operating a ranch in the way they anticipated when the lease was negotiated. Thus, the lessees experience financial hardship for an extended period of time that is not sufficiently mitigated by a reduction in lease rent.

According to some lessees, the banking industry took notice of the conservation easements and reduced their valuation of the lease interest. As a result, when lessees approach lenders for much needed capital, the banks do not recognize the leasehold as an asset.

Your Committee believes that by providing an automatic lease extension when a withdrawal, taking, or condemnation occurs, the lessees will be provided with a greater likelihood of having their leases considered as assets by lenders. This will in turn assist the lessees with attaining much needed capital.

The intent of this measure is to prevent similar situations as the Saddle Road withdrawal in the future. This measure is also intended to better provide for the viability and survival of Hawaii's agricultural producers.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 231 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1265**

The purpose of this measure is to require truthful labeling of meat and fish that have been gas-treated.

Testimony in support of this measure was submitted by one organization. One state agency supported the intent of this measure. One state agency and one organization submitted comments, and one organization submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the United States Food and Drug Administration has determined that use of safe levels of carbon monoxide in treating meat is not harmful to human health. However, it is possible for the meat to appear fresh to the consumer due to the gas treatment but still have high bacteria levels, indicative of spoilage. It has been suggested that the "use, sell, or freeze by" date listed on the package is sometimes extended due solely to the color of the meat rather than the freshness.

The Department of Health checks for proper labeling requirements through routine food safety inspections. The Department of Health also ensures that products are not offered for sale beyond their expiration date. However, the Department of Health admits that it focuses most enforcement efforts on the accurate labeling of fish products. The Department of Health relies upon the United States Department of Agriculture to enforce regulations for meat labeling.

Your Committee notes that this measure is intended to focus primarily on the accurate labeling of meat products sold in Hawaii.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1265 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 232 Public Safety and Military Affairs on S.B. No. 614**

The purpose of this measure is to grant family leave to an employee to provide family care and support during the military deployment of the employee's child, spouse, reciprocal beneficiary, or parent.

Testimony in support of this measure was submitted by two state agencies and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that providing an employee with family leave during the military deployment of the employee's child, spouse, reciprocal beneficiary, or parent will enable the employee to care and support their family in a satisfactory manner. Your Committee also finds that this measure will help to alleviate many of the stresses that some employees face on a daily basis when their child, spouse, reciprocal beneficiary, or parent is deployed.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614 and recommends that it pass Second Reading and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 233 Energy and Environment on S.B. No. 243**

The purpose of this measure is to increase convenience for consumers and facilitate participation in the Deposit Beverage Container Program by requiring all retail dealers with more than seventy-five thousand square feet of retail space to operate redemption centers.

Testimony in support of this measure was submitted by one state agency and three organizations. Three public citizens submitted comments. Testimony in opposition was submitted by two organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that sustaining high container redemption levels in the Deposit Beverage Container Program depends on conveniently located redemption centers for customers. To date, there have been many challenges to locating independently operated redemption centers within a two-mile radius of retail dealers and providing more convenient locations in rural areas.

Your Committee further finds retail dealers in other states with similar redemption programs are also required to be redemption centers. However, in the past, the Legislature has recognized that many retail dealers in Hawaii have limited retail space in their establishments and that their floor space is extremely valuable. Therefore, the high cost of doing business in Hawaii may be prohibitive to establishing redemption areas within smaller retail establishments.

Since its inception in 2004, the Deposit Beverage Container Program has been successful in collecting over one hundred thousand tons of plastic, glass, and aluminum containers for recycling. The Program recycled over six hundred and eighty million containers in 2008 alone. The Department of Health reports that the redemption rate is seventy-two per cent, and the Program's goal is to achieve an eighty per cent redemption rate. Reaching that goal will not be easy because it will require more effort to turn the last few non-participants into recyclers. A telephone survey in 2008 reported that twenty-seven per cent of consumers who do not recycle say that recycling is too much of a hassle. By bringing the redemption centers to the consumers, and increasing the overall number of redemption centers, consumers can incorporate recycling into their normal routine rather than having to make special trips.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 243 and recommends that it pass Second Reading and be referred to the Committee on Health.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 234 Energy and Environment on S.B. No. 696**

The purpose of this measure is to appropriate funds for grants-in-aid to the counties for the eradication of coqui frogs.

Testimony in support of this measure was submitted by the Mayor of the County of Hawaii and three organizations. One organization supported the intent of the measure. Two state agencies and one organization submitted comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that coqui frogs injure wildlife and are an invasive pest. Coqui frogs were introduced into Hawaii from Puerto Rico in 1988, and have become a major noise nuisance and pose a serious threat to Hawaii's island ecosystem. Coqui frogs have a voracious appetite that puts Hawaii's unique insects and spiders at risk. The coqui frogs compete with endemic birds and other native fauna that rely on insects for food. Your Committee believes that if eradication efforts are not financially supported in all counties, the coqui frogs will continue to expand and endanger endemic bird species and the State ecosystem.

Your Committee further finds that the coqui frogs have a limited distribution on Kauai, Maui, and Oahu. Significant progress at controlling the coqui frog populations has been made, and critical research continues on the island of Hawaii where the coqui frog population is well established and distributed. These accomplishments across the State are at risk of failing if continued funding is not available. Your Committee notes that without consistent control efforts, new coqui frog populations will become established and sites where they were almost eradicated will balloon to previous levels.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 235 (Joint) Human Services and Education and Housing on S.B. No. 910**

The purpose of this measure is to transfer the State's homeless programs branch of the Hawaii Public Housing Authority to the Benefit, Employment, and Support Services Division within the Department of Human Services. This transfer is intended to improve the Department of Human Services' coordination and delivery of homeless services to Hawaii's homeless population.

Testimony in support of this measure was received from the Department of Human Services; the Hawaii Public Housing Authority; Catholic Charities Hawaii; Waianae Community Outreach; and one individual. The State Procurement Office provided comments on the measure. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the State's homeless programs are currently housed within the Public Housing Authority. The Public Housing Authority's homeless services branch serve many of the same clients as the Benefit, Employment, and Support Services Division, creating overlap, duplication of efforts, and unnecessary expenditures and costs by both branches. Further, because services for the homeless population are provided by two different branches within the Department of Human Services, there are gaps in the provision of services and a failure to streamline and coordinate activities. Many individuals are unsure of all the benefits and programs for which they may be eligible because of this lack of coordination. Transferring the homeless services branch from the State's Public Housing Authority to the Benefit, Employment, and Support Services division of the Department of Human Services will improve client outcomes, provide for efficient allocation of funds, and enhance customer service.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 910 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Ihara, Tsutsui).

**SCRep. 236 Commerce and Consumer Protection on S.B. No. 1623**

The purpose of this measure is to avoid mortgage foreclosures when possible and to mitigate the effect of mortgage foreclosures on homeowners and tenants when avoidance is not possible by requiring early contact between mortgagees and mortgagors to explore options to modify or restructure loans when appropriate and to afford tenants a timely opportunity to secure new housing.

Your Committee received testimony in support of this measure from Legal Aid Society of Hawai'i and one private citizen. Testimony in opposition to this measure was received from the Hawaii Bankers Association and Hawaii Credit Union League. Hawaii Financial Services Association and Hawaii Association of Realtors submitted comments regarding this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in this era of financial crisis, mortgage foreclosures can have a devastating effect on communities. Your Committee finds that this measure will help to ensure that homeowners in default of mortgage payments have ample time and opportunity to explore options that may be available to avoid foreclosure or to mitigate the effects of losing their home. Your Committee also finds that residential tenants of properties in foreclosure also merit protection in the form of adequate notice before removal from the property and protection of their security deposits.

Your Committee notes that while additional protections may become available to homeowners under future federal programs, the State still has an important role in formulating policy to respond to local economic conditions. Your Committee recognizes that some opposition exists to this measure, yet still finds this measure to be meritorious and necessary for the protection of Hawaii's homeowners and communities. Finally, your Committee notes that the notice provisions contained in this measure are intended to apply equally to judicial foreclosure, foreclosure by power of sale, and foreclosure by alternate power of sale.

Your Committee has amended this measure by:

- (1) Requiring notice of a homeowner's right to representation or assistance in foreclosure proceedings and the availability of alternate dispute resolution methods such as mediation and negotiation to attempt to avoid foreclosure;
- (2) Repealing the requirement that a mortgagor sign a conveyance document in a foreclosure by alternate power of sale;
- (3) Removing the provision that allowed a tenant of a foreclosed property to elect to maintain the rental agreement in full force and effect after receiving notice of foreclosure;
- (4) Providing one hundred twenty days notice of foreclosure to a tenant before termination of a month-to-month tenancy;
- (5) Providing that a tenant of a property in foreclosure may apply the tenant's security deposit to the last month's rent;
- (6) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in the language of this measure; and
- (7) Deferring the effective date of this measure in order to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1623, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 237 Commerce and Consumer Protection on S.B. No. 1241**

The purpose of this measure is to prohibit a deed restriction or covenant that requires the payment of a transfer fee to a specified private party every time a property is sold or transferred.

Your Committee received testimony in support of this measure from Hawai'i Association of Realtors. Testimony in opposition to this measure was received from Mililani Town Association and one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some real estate developers charge transfer fees that require a payment to the developer every time a property is sold or transferred from one owner to the next. Some of these fees are unrelated to any legitimate purpose and serve only to enrich the developer. Your Committee finds that there is presently no regulation of these fees, no limitation on their application, and no accountability or oversight of the recipients. Your Committee recognizes the concerns voiced by testifiers that legitimate fees, such as those to cover the cost of association membership, be excluded from this measure.

Your Committee has amended this measure by:

- (1) Exempting fees paid by a borrower to a lender in connection with loan services, cooperative or owner's association fees, fees paid to a landlord for services rendered in connection with the execution of a lease, and fees paid for an option to purchase or right of first refusal;
- (2) Clarifying the definition of residential real property;
- (3) Adding a new section so that the prohibition of transfer fees applies equally to transactions registered with the bureau of conveyances and with the land court; and
- (4) Deferring the effective date of this measure to November 1, 2009, to allow affected parties time to amend forms and printed materials.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1241, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1241, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 238 (Majority) Commerce and Consumer Protection on S.B. No. 1091**

The purpose of this measure is to prohibit the placement of paid advertisements on vehicles and trailers.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Na Leo Pohai. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current law allows advertisers to place signs and advertisements on vehicles when these same signs and advertisements would be prohibited if they were posted anywhere else, such as on a building or along the roadside. These vehicles function as billboards when they are driven or parked on the side of the road. Your Committee notes that this measure does not apply to vehicles or trailers that display advertisements for the business for which the vehicle or trailer is actually used.

Your Committee has amended this measure by:

- (1) Clarifying that “economic benefit” does not include a benefit derived by the vehicle owner from advertising its own business; and
- (2) Making technical, nonsubstantive changes for clarity to section one.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1091, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Ayes with Reservations, 1 (Espero). Noes, 1 (Hemmings). Excused, none.

**SCRep. 239 Commerce and Consumer Protection on S.B. No. 456**

The purpose of this measure is to prohibit discrimination based on lawful source of income in housing transactions.

Your Committee received testimony in support of this measure from U. S. Representative Neil Abercrombie, four members of the Kauai County Council, Institute for Human Services, Legal Aid Society of Hawaii, Malama Kauai, Kauai Fair Housing Law Coalition, Kauai Food Bank, Agency on Elderly Affairs, and eighteen private citizens. Testimony in opposition to this measure was received from the Hawaii Public Housing Authority. Comments were received from the Hawaii Civil Rights Commission and B.Y. Realty Management and Sales. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that discrimination exists against persons who receive state or federal income assistance, such as Social Security benefits, Temporary Aid to Needy Families, or Section 8 housing vouchers. It is already very difficult for many families and individuals to find safe, affordable rental housing in many communities throughout the State. Discrimination makes an already difficult situation worse. Your Committee finds that this measure would prohibit discrimination based on lawful source of income in housing transactions but would still allow a landlord or property manager to consider relevant characteristics of a renter such as ability to pay rent and prior rental history.

Your Committee recognizes the concerns of the Hawaii Civil Rights Commission that the Commission currently may not have the staff capacity to timely enforce the provisions of this measure and that the Commission’s federal funding depends on complying with guidelines, such as claim processing time, established by the federal Department of Housing and Urban Development. Since it is not the intent of this measure to jeopardize the Commission’s federal funding, Your Committee on Commerce and Consumer Protection recommends that the Committee on Judiciary and Government Operations investigate the legal issue of whether it would be more appropriate to include the provisions of this measure in a ban on discriminatory advertising rather than in the Fair Housing Act.

Your Committee has amended this measure by deferring its effective date to 2015 in order to encourage further discussion and to allow persons who are responsible for real estate transactions to update their forms and other written materials.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 456, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 456, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 240 Commerce and Consumer Protection on S.B. No. 58**

The purpose of this measure is to allow automobile insurers to exclude specified household members from coverage under an automobile insurance policy.

Your Committee received testimony in support of this measure from American Insurance Association, Geico, Property Casualty Insurers Association of America, and State Farm Insurance. Testimony in opposition to this measure was received from the Hawaii Association for Justice and Hawaii Independent Insurance Agents Association. The State Insurance Commissioner submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that insurance policy in this State should have the goal of ensuring that drivers on Hawaii’s roads are adequately insured. Your Committee is concerned that there seems to be disagreement among insurers and consumer advocates as to whether this measure is likely to result in more or fewer uninsured drivers. Further discussion on this measure is warranted.

Your Committee has amended this measure by:

- (1) Adding the requirement that an excluded driver sign an acknowledgement of exclusion from the insurance policy;
- (2) Limiting the application of provisions that allow the exclusion of designated persons from coverage under an insurance policy to policies for personal, noncommercial vehicles;
- (3) Amending the effective date to July 1, 2015; and
- (4) Adding a sunset date of June 30, 2020.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, as amended herein, and recommends that it pass

Second Reading in the form attached hereto as S.B. No. 58, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 241 Commerce and Consumer Protection on S.B. No. 121**

The purpose of this measure is to enact the Uniform Prudential Management of Institutional Funds Act which updates existing law relating to the financial management of charitable organizations and allows grant-making organizations greater flexibility in responding to market fluctuations.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation and Hawaii Community Foundation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will assist charitable institutions respond effectively to market conditions which depress the value of endowment funds. In the current economic recession, it is especially important that grant-making organizations be able to continue funding nonprofit charities that provide a much-needed social safety net to Hawaii residents. Your Committee notes that this measure is a result of collaboration among local charitable organizations and the Department of the Attorney General.

Your Committee has amended this measure by making technical, nonsubstantive changes to conform the language of this measure to existing statutory conventions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 121, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 242 Commerce and Consumer Protection on S.B. No. 301**

The purpose of this measure is to create the designation of commercial registered agent and to streamline the documentary requirements for individuals registered as commercial registered agents.

Your Committee received testimony in support of this measure from the Business Registration Division of the Department of Commerce and Consumer Affairs, the Commission to Promote Uniform Legislation, and CT Corporation. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the current law applying to registered agents includes documentary requirements that are burdensome for both registered agents and the Business Registration Division. This measure will update the State's agent registration process to take advantage of new information technology and bring Hawaii's registration policy into line with that of the eight other states that have already adopted the model act contained in this measure. Your Committee finds that this measure will help facilitate domestic and interstate commerce in Hawaii.

Your Committee has amended this measure by:

- (1) Standardizing internal statutory references to conform with the style used throughout Hawaii Revised Statutes; and
- (2) Inserting a provision to clarify the process of updating registered agent information filed with the Department of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 301, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 243 Commerce and Consumer Protection on S.B. No. 877**

The purpose of this measure is to protect Hawaii's underground infrastructure by repealing the sunset date on the One Call Center pilot program.

Your Committee received testimony in support of this measure from the Public Utilities Commission, the One Call Advisory Committee, Hawaiian Electric Company, Hawaiian Telecom, Building Industry Association-Hawaii, General Contractors Association of Hawaii, and The Gas Company. Comments were received from the Hawaii Pest Control Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the One Call Center and its mandatory Call Before You Dig program is effective at regulating excavation activity, minimizing disruption of service to operator customers, and protecting the safety of excavators. Your Committee also finds that the One Call Center was always intended to be an on-going program persisting beyond the sunset date of the original legislation.

Your Committee has amended this measure by making technical, nonsubstantive changes to the language of section one.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 877, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 244 Commerce and Consumer Protection on S.B. No. 1107**

The purpose of this measure is to merge the duplicative educational trust funds inadvertently resulting from the recodification of the condominium laws into a single trust fund for the education of condominium owners, associations, developers, and managers.

Your Committee received testimony in support of this measure from the Real Estate Commission. Testimony in opposition to this measure was received from the Hawaii Independent Condominium & Cooperative Owners. Comments on this measure was received from the Hawaii Council of Associations of Apartment Owners. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the condominium management education fund and the condominium education trust fund that exist under current law already operate as a single fund for practical purposes and that the creation of two separate funds was an inadvertent effect of the recodification of the condominium law.

Your Committee heard concerns from Hawaii Independent Condominium & Cooperative Owners that moneys paid into the trust fund by individual homeowners should be used to finance education for owners and not for developers or associations. Therefore your Committee has amended this measure by:

- (1) Requiring that the Real Estate Commission include in its annual fund report to the Legislature a separate accounting for moneys paid into the fund by individual homeowners;
- (2) Requiring that the Real Estate Commission include in its annual fund report to the Legislature a separate accounting for expenditures on education directed at individual homeowners; and
- (3) Requiring that the Real Estate Commission make its educational publications about condominium owners' rights and responsibilities available to individual homeowners in both printed and electronic formats.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1107, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 245 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1318**

The purpose of this measure is to repeal the chapters of the Hawaii Revised Statutes that relate to coastal zone management and state planning, and transfer the authority and functions of the Office of Planning to the Department of Business, Economic Development, and Tourism.

Testimony in opposition to this measure was submitted by two state agencies. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of the state government is necessary to ensure that all available avenues have been explored to accomplish more with fewer resources.

Your Committee has amended this measure by amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1318, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Tokuda). Excused, 2 (Takamine, Hemmings).

**SCRep. 246 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1140**

The purpose of this measure is to ensure the viability of federally qualified health centers and critical access hospitals in the State by requiring commercial health plans to provide a minimum reimbursement level of no less than one hundred and one per cent of the costs for all services provided to plan beneficiaries by these facilities.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, Hawaii Primary Care Association, Ka'u Hospital, and Kona Community Hospital. Your Committees received testimony in opposition to this measure from Hawaii Medical Service Association. The American Family Life Assurance Company of Columbus submitted comments on the measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committees find that federally qualified health centers and critical access hospitals provide necessary care to the communities they serve. Low reimbursement rates that do not cover the costs of services provided have put these facilities in a financial crisis.

Your Committees further find that this measure should not apply to limited benefit insurance policies. Requiring limited benefit insurance policies to pay on a cost basis will unnecessarily increase the cost of this type of insurance or cause it to become unavailable all together.

Accordingly, your Committees have amended this measure by including language that exempts limited benefit health insurance policies from the minimum reimbursement requirement.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1140, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1140, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Nishihara, Sakamoto).

**SCRep. 247 (Joint) Health and Commerce and Consumer Protection on S.B. No. 568**

The purpose of this measure is to improve quality and affordability of health care with the implementation of health information technology.

Specifically, this measure establishes the electronic prescription drug program task force within the Department of Health to develop a plan to establish and implement, by July 1, 2011, the mandatory use of an electronic prescription drug program by pharmacists, physicians, and others authorized to prescribe or dispense prescription drugs in the State.

Your Committees received testimony in support of this measure from the Department of Human Services, Kaiser Permanente, Hawaii Medical Service Association, and Walgreens. The Department of Health submitted testimony in support of the intent of this measure.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that an electronic prescription drug program will improve patient safety through the generation of legible prescriptions that have been checked for adverse reactions and drug-drug interactions. Your Committees further find that the federal stimulus package is expected to include funding for health information technology which the task force should pursue to fund the implementation of the program.

Your Committees have amended this measure by including a representative from a local health plan on the task force and by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 568, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 568, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Nishihara, Sakamoto).

**SCRep. 248 (Joint) Health and Economic Development and Technology on S.B. No. 1266**

The purpose of this measure is to encourage the development and expansion of skilled nursing facilities by establishing an enterprise zone for skilled nursing facilities operating in the State.

Your Committees received testimony in support of this measure from Avalon Health Care, Inc. and one individual. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that this measure will help to provide the infrastructure needed for the continuum of care for the State's growing aging population by creating a tax incentive by exempting skilled nursing facilities operating within a designated enterprise zone from the state general excise tax.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1266 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Espero, Hee, Slom).

**SCRep. 249 (Joint) Economic Development and Technology and Tourism on S.B. No. 1334**

The purpose of this measure is to establish the Museum for Hawaiian Music and Dance.

The measure accomplishes this by directing the State Foundation on Culture and the Arts and the Department of Accounting and General Services to execute a contract with a nonprofit entity to develop, manage, and operate the museum. The contract would be exempt from the public procurement code.

The measure also appropriates \$2,000,000 to finance the design and environmental assessment relating to constructing the museum and authorizes the issuance of \$27,000,000 in general obligation bonds to fund the actual construction of the museum.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Hawaiian Music Hall of Fame, INPEACE, Grubb and Ellis, Rubicon Consultants and Marketing, Tropical Music, C.F. Consulting, Island Film Group, the Hawaii Academy of the Recording Arts, and twenty-one individuals. Testimony in opposition of this measure was submitted by the State Procurement Office. Comments on this measure were submitted by the Department of Business, Economic Development, and



Tourism, and the Department of Accounting and General Services. Written testimony presented to the Committees is available for review on the Legislature's website.

Your Committees find that the people of Hawaii deserve to have music, dance, and art that is representative of their culture, background, and heritage be preserved for generations of people to observe and appreciate. Your Committees also find that the Museum for Hawaiian Music and Dance will help Hawaiian children connect to their ethnic roots and perhaps provide inspiration to their own pursuits in music, dance, or art.

Your Committees have amended this measure by:

- (1) Deleting the exemption from the state procurement code for the contract between the State Foundation on Culture and Arts and the Department of Accounting and General Services to build the Museum for Hawaiian Music and Dance;
- (2) Deleting the monetary appropriations to be expended by the State Foundation on Culture and Arts;
- (3) Deleting the sum of the general obligation bonds that are authorized to be issued by the Director of Finance; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1334, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1334, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Hee, Kidani, Tsutsui).

**SCRep. 250 (Majority) Economic Development and Technology on S.B. No. 830**

The purpose of this measure is to establish a shared services technology special fund that allows various departments and agencies to combine financial resources to purchase common technology systems, hardware, and software.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, the Department of Education, and the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that allowing numerous departments and agencies to contribute to the shared services technology special fund and to collectively use the fund's resources to optimize their purchasing power through bulk purchases will decrease operating and administrative costs, as well as improve the amount of time spent on processing purchase orders. Departments and agencies will benefit under this special fund by receiving shared services technologies at a better price point than if the department or agency purchased the service technology separately, assuming that the budget for the department or agency would enable them to make the purchase to begin with.

Your Committee has amended this measure by:

- (1) Clarifying that the purposes for which any funds deposited into the shared services technology special fund may be used shall be within the appropriate duties and responsibilities assigned to the Department of Accounting and General Services for information and technology services and that the use of the funds shall be authorized by the Legislature prior to expenditure;
- (2) Requiring the Department of Accounting and General Services to include in its report to the Legislature, a financial plan for generating revenues for the shared services technology special fund; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 830, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 830, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Ayes with Reservations, 1 (Ige). Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 251 Energy and Environment on S.B. No. 1381**

The purpose of this measure is to enable Hawaii to receive and use moneys under the federal American Recovery and Reinvestment Act of 2009 and any other applicable federal law for drinking water and wastewater infrastructure improvement projects.

Testimony in support of this measure was provided by one state department and one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that it is crucial that this measure be passed to allow Hawaii to benefit from the American Recovery and Reinvestment Act of 2009 for drinking water and wastewater infrastructure improvements projects. The anticipated federal funds for these projects will improve public health, protect the environment, and stimulate the economy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 252 Energy and Environment on S.B. No. 287**

The purpose of this measure is to require maximum use of geothermal energy on the island of Hawaii to achieve energy self-sufficiency and reduced reliance on imported fossil fuels; and to establish a pilot program and a tax credit to facilitate the development of infrastructure for the deployment of renewable energy resources, including geothermal resources.

Testimony in support of the intent of the measure, with comments, was submitted by three state agencies and one private organization. Testimony in opposition to the measure was submitted by one private organization. Copies of written testimony are available for review on the Legislature's website.

The Public Utilities Commission submitted comments regarding the language in the measure that would require the Public Utilities Commission to direct public utilities to arrange for the acquisition of and to acquire electricity generated from geothermal sources at the maximum capacity that is available from the producers of geothermal energy. The Public Utilities Commission expressed concern regarding the cost impact to ratepayers, as the measure as currently drafted would appear to require the acquisition of all available geothermal resources without regard to cost. The Public Utilities Commission suggested replacing the mandatory "shall" with the permissive "may".

Your Committee recognizes that it is important to maximize the use of geothermal energy on the island of Hawaii to reduce reliance on imported fossil fuels and to achieve energy self-sufficiency. As fossil fuel and petroleum prices become more volatile, Hawaii's ability to generate its own energy will make the State more secure and less reliant on outside sources.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive stylistic changes; and
- (2) Adopting the recommendation of the Public Utilities Commission by substituting the word "shall" with "may" within the provision regarding the acquisition of geothermal energy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 287, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Ayes with Reservations, 3 (English, Ihara, Kokubun). Noes, none. Excused, none.

**SCRep. 253 Energy and Environment on S.B. No. 461**

The purpose of this measure is to remove the dependency of the price of electrical energy generated from nonfossil fuel sources from the avoided cost of energy generated by the electric public utility purchasing the nonfossil fuel generated electricity.

Testimony in support of this measure was submitted by six private organizations. Testimony in support, with comments, was submitted by two state departments and two private organizations. Comments were submitted by one state department. Copies of written testimony are available for review on the Legislature's website.

The measure de-links power purchasing rates payable by a utility for nonfossil fuel generated electricity from the price of fossil fuels. Specifically, the measure amends section 269-27.2, Hawaii Revised Statutes, by deleting the limitation on a utility's power purchasing rates to no more than one hundred per cent of the cost avoided by the utility when the utility purchases the electricity rather than producing it.

Your Committee finds that the amendments proposed in this measure will significantly reduce any linkages between the volatile prices of fossil fuels and the rate for nonfossil fuel generated electricity, potentially enabling utility customers to share in the benefits of price stability and fuel cost savings resulting from the use of nonfossil fuel generated electricity.

Your Committee has amended this measure by adopting the recommendations of several testifiers to revise the definition of "cost-effective" in section 269-91, Hawaii Revised Statutes, to be consistent with the amendments proposed in this measure.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 461, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 254 Energy and Environment on S.B. No. 464**

The purpose of this measure is to make amendments to the Hawaii Renewable Energy Tax Credit by:

- (1) Making it refundable;
- (2) Removing the restriction on the type of income that it can be used to offset;
- (3) Making it specially allocable; and
- (4) Making it available to Hawaii insurance companies.

Testimony in support of this measure was submitted by eight private organizations. The Department of Taxation submitted testimony in support of the intent of the measure, with comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that, as currently drafted, the Hawaii Renewable Energy Tax Credit has very limited appeal as a financial incentive. This measure expands the class of investors who can use the credit, thereby attracting much more investment capital to renewable energy in Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive stylistic amendments to the proposed section 235-12.5(h)(2), Hawaii Revised Statutes, to conform that provision with other sections of this measure.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 464, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 255 Energy and Environment on S.B. No. 868**

The purpose of this measure is to amend chapter 196, Hawaii Revised Statutes, to:

- (1) Update certain definitions for clarity and to take into account the changes in the State's energy resources, markets, and systems;
- (2) Establish definitive policy guidance needed on the nature and relationship of energy data analyses to the State's energy program, and to clearly delineate distinctive analytic roles and responsibilities of state agencies conducting energy data functions; and
- (3) Provide the statutory basis for a systematic state energy analytic capacity and capability, which is essential to support the Energy Resources Coordinator's role.

Testimony in support of this measure was submitted by one state department and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, given the increasing need to establish Hawaii's energy independence, it is important to clarify and further define the duties and responsibilities of the state energy office. Your Committee finds that this measure allows the Energy Resources Coordinator to better carry out its statutory role in governing energy resource planning, as well as preserving and ensuring Hawaii's energy security.

Your Committee has amended this measure by making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 868, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 256 Energy and Environment on S.B. No. 393**

The purpose of this measure is to issue special purpose revenue bonds in the amount of \$35,000,000 to assist One Planet Pacific Energy, LLC (One Planet), which proposes to construct a five-hundred-ton-per-day gasification facility to convert solid waste into synthetic gas to utilize material solid waste from the construction and demolition solid waste landfill in Nanakuli, Oahu, Hawaii.

Testimony in support of this measure was submitted by One Planet. Comments were submitted by one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

One Planet requested that the amount of the bond be amended to \$40,000,000, to reflect an increase in the estimated cost of the project.

Your Committee finds that One Planet's proposed gasification project will bring significant benefits to Hawaii, by taking materials that are currently taking up valuable landfill space and converting them into a source of renewable energy through its synthetic gas production.

Your Committee has amended this measure by:

- (1) Revising the amount of the special purpose revenue bond to \$40,000,000; and
- (2) Changing the date of the authorization from June 30, 2015, to June 30, 2014, in order to be consistent with section 39A-117, Hawaii Revised Statutes, as recommended by the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 393, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 393, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 257 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 1635**

The purpose of this measure is to require that all landfills throughout the State charge commercial haulers with vehicles of 19,500 pounds or less a "pass through" tipping fee for disposal of solid waste based upon the actual weight of the disposed material, rather than a flat fee.

Testimony in support of this measure was submitted by one private individual. Testimony in opposition to this measure was submitted by one state department and one county department. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that currently, landfills may charge a minimum tonnage fee regardless of the amount of waste that is actually being disposed of. This measure is intended to provide a fair means of assessing a fee for solid waste disposal, while also providing some relief to our small businesses and homeowners.

Your Committees have amended this measure by clarifying that the calculation of tipping fees by pass through basis shall apply to waste operators that assess or charge tipping fees by weight.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1635, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1635, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 1 (Ihara).

**SCRep. 258 Energy and Environment on S.B. No. 486**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for BioEnergy Hawaii, LLC.

Testimony in support of this measure was submitted by one state agency, two organizations, and one individual. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that BioEnergy Hawaii, LLC proposes to build a waste-to-energy facility that will produce as much as ten megawatts of electricity without the use of fossil fuels.

Your Committee finds that the benefits of the proposed waste-to-energy facility include significantly reducing solid waste, which has created a problem with landfill space; reducing the State's dependence on imported fossil fuels; reducing the State's carbon footprint by recycling carbon dioxide through the gasification of waste into energy; and producing leftover biomass that may be used in animal feed.

Your Committee believes that the issuance of special purpose revenue bonds for the proposed waste-to-energy facility is in the public interest, as it could provide electricity for up to eight thousand typical homes in addition to the additional benefits described above.

Your Committee has amended this measure by making technical, nonsubstantive amendments to correct a typographical error.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 486, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 486, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 259 Energy and Environment on S.B. No. 512**

The purpose of this measure is to modify the current ethanol production facilities tax credit to provide a tax credit for biofuel production facilities.

Testimony in support of the measure was submitted by a county department and three private organizations. Testimony in support, with suggested amendments, was submitted by two private organizations. Testimony in support of the intent of the measure, with suggested amendments, was submitted by one state department. Testimony in opposition to the measure was submitted by one private organization. Comments were submitted by one state department. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the use of biofuels can reduce the State's dependence on imported oil and increase the amount of renewable energy from sustainable resources. Amending the as yet unused ethanol facility tax credit will encourage local companies to put this dormant credit to use.

Your Committee has amended this measure to make technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 512, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 260 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 1053**

The purpose of this measure is to amend chapter 343, Hawaii Revised Statutes, in order to allow an agency to transfer the responsibility for preparing and funding environmental assessments and environmental impact statements to the private entity user who will actually be using the state or county land or when new improvements necessary to accommodate the private entity's operations are to be constructed with state or county funds.

Testimony in support of this measure was submitted by one state department. Testimony expressing concerns regarding this measure was submitted by three private organizations. Testimony in opposition was submitted by one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find this measure permits the State and county agencies to fairly shift the cost for the necessary environmental reviews required by law to the actual user of the state and county lands or funds.

Your Committees have amended this measure by making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1053, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1053, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Ihara, Kokubun, Hemmings).

**SCRep. 261 (Joint/Majority) Energy and Environment and Tourism on S.B. No. 266**

The purpose of this measure is to establish a task force to assess the current and potential impacts of climate warming trends on the citizens, natural resources, and the economy of the State.

Testimony in support of this measure was submitted by one state agency and four private organizations. Testimony in support, with suggested amendments, was submitted by one private organization. Testimony in opposition to the measure was submitted by one state department and one private organization. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that global climate change, encompassing both warming and cooling trends, threatens Hawaii with stronger hurricanes, shifting micro-climates, drought, shifting weather patterns, increased spread of invasive species, inundation of our shorelines, and saltwater intrusion into Hawaii's aquifers. The best approach in dealing with these adverse impacts is to be proactive rather than reactive. Further, your Committees also find that the task force created by this measure will be a good complement to the existing Greenhouse Gas Emission Reduction Task Force.

Your Committees have amended this measure by:

- (1) Making technical, nonsubstantive stylistic changes; and
- (2) Revising the measure, where appropriate, to emphasize that the task force should address global climate change, encompassing both warming and cooling trends, rather than just global warming.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 266, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 266, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 2 (Hemmings, Slom). Excused, 2 (English, Tsutsui).

**SCRep. 262 Energy and Environment on S.B. No. 391**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, for the purpose of design and construction of a seawater air conditioning district cooling system in downtown Honolulu.

Testimony in support of this measure was submitted by four organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that especially in light of Hawaii's geographic isolation, the development and utilization of renewable, sustainable, and efficient energy systems continues to be in the public interest.

Your Committee further finds that Honolulu Seawater Air Conditioning, LLC proposes to build seawater air conditioning district cooling systems on the island of Oahu. Honolulu Seawater Air Conditioning, LLC is engaged in the planning, design, and construction of a seawater air conditioning district cooling facility and chilled water distribution system in downtown Honolulu using cold, deep seawater as the primary cooling source.

Your Committee finds and declares that the issuance of special purpose revenue bonds under this measure is in the public interest and promotes the public health, safety, and general welfare. Your Committee further finds that the issuance of special purpose revenue bonds and refunding special purpose revenue bonds under this measure will make the development of a seawater air conditioning system more economically feasible and provide numerous benefits, including the following:

- (1) Providing customers with reduced and stable cooling costs;
- (2) Using an abundant, infinite, sustainable energy resource – cold, deep seawater – to provide more than ninety per cent of the cooling load;

- (3) Eliminating the need for cooling towers and, as a result, reducing potable water use, toxic chemical use, and the production of sewage;
- (4) Greatly reducing the use of harmful refrigerants used in conventional cooling systems;
- (5) Potentially providing energy savings of seventy per cent, or more, compared to conventional air conditioning systems;
- (6) Having lower operating and maintenance costs than individual building air conditioning systems;
- (7) Eliminating the need for up to 0.63 kilowatts of electricity generation capacity for each ton of cooling capacity;
- (8) Potentially generating millions of dollars in construction project spending. In addition to construction jobs, a significant number of long-term, well-paid jobs will also be created;
- (9) Reducing the export of Hawaii moneys for oil and retaining that money in the Hawaii economy. Other local economic development benefits will accrue from money that stays in Hawaii and is not used to purchase oil; and
- (10) Helping the State of Hawaii, the City and County of Honolulu, and the federal government to meet goals and mandates for energy efficiency and renewable energy use.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 391 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Ihara).

**SCRep. 263 (Majority) Commerce and Consumer Protection on S.B. No. 1165**

The purpose of this measure is to repeal the sunset date on the general excise tax exemption on monies paid by timeshare operators and condominium submanagers for employee wages, salaries, payroll taxes, insurance premiums, and employee benefits.

Your Committee received testimony in support of this measure from Wyndham Worldwide, American Resort Development Association, Marriott Vacation Club International, Inc., and Outrigger Hotels. Your Committee received testimony on this measure with comments from the Department of Taxation and Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will result in no additional loss of revenue to the State, since it merely continues a tax exemption that is already in place. Your Committee also finds that this exemption levels the playing field with regard to tax treatment for similarly situated entities: operators of hotels, timeshares, and condotels. Therefore, the exemption for operators of timeshare and condotels should be made permanent.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1165 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 2 (Ihara, Sakamoto).

**SCRep. 264 Commerce and Consumer Protection on S.B. No. 1218**

The purpose of this measure is to bring Hawaii into compliance with federal law by implementing the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act).

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Bankers Association, Hawaii Association of Mortgage Brokers, and Legal Aid Society of Hawaii. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs and Hawaii Financial Services Association. Testimony with comments on this measure was received from State Farm Insurance Companies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure complies with the requirements of the federal SAFE Act. Your Committee further finds that the purpose of the SAFE Act is to "to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud" by encouraging the states to regulate the mortgage industry. Your Committee notes that this measure is based on a model act prepared by the Conference of State Bank Supervisors and American Association of Residential Mortgage Regulators that the Department of Housing and Urban Development has approved as compliant with the federal law.

Your Committee notes that, under the SAFE Act, failure of the State to implement conforming legislation would result in abdication of the State's right to regulate the mortgage industry and assignment of that right to the federal Department of Housing and Urban Development. Your Committee finds that this result would be unacceptable as it is critical that the State retain its right to respond to unique local circumstances in regulating the mortgage industry.

Your Committee has amended this measure by:

- (1) Adding provisions relating to mortgage call reports, unique identifiers for mortgage loan originators, and reports to the nationwide mortgage licensing system in order to fully comply with the SAFE Act;
- (2) Amending the prohibited practices section to conform to existing law regarding unfair and deceptive trade practices;
- (3) Making technical, nonsubstantive changes to ensure clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1218, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 265 Commerce and Consumer Protection on S.B. No. 154**

The purpose of this measure is to limit liability in tort actions relating to the maintenance and design of public highways to the actual percentage share of damages for design professionals whose degree of negligence is determined to be twenty-five per cent or less.

Your Committee received testimony in support of this measure from Austin, Tsutsumi & Associates; ECS, Inc.; Pacific Geotechnical Engineers, Inc.; Coalition of Hawaii Engineering and Architectural Professionals; American Institute of Architects; American Council of Engineering Companies; Fukunaga & Associates, Inc.; Engineering Solutions, Inc.; and Gray, Hong, Nojima & Associates, Inc. Testimony in opposition to this measure was received from Hawaii Association for Justice. Testimony with comments was received from Hawaiian Electric Company and Hawaiian Telecom. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee acknowledges the concerns voiced in testimony by members of the small business community that the potential for tort liability may influence the choice of some small businesses to not participate in contracts for the design and maintenance of public highways. However, your Committee disagrees with some testifiers' conflation of tort liability with contractual indemnification of the contracting government entity for damages. Your Committee also notes the concerns of the public utilities that this measure would shift liability from design professionals to public utilities even though public utilities are bound by state and local government laws as to the placement of utility poles along highways but do not participate in highway design, planning, or construction.

Your Committee has amended this measure by:

- (1) Adding a new section to exempt public utilities from liability in tort actions involving damages related to the design and maintenance of public highways unless the public utility's degree of negligence is determined to be twenty-five per cent or more; and
- (2) Deferring the effective date of this measure to July 1, 2030.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 154, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 154, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 266 Commerce and Consumer Protection on S.B. No. 1130**

The purpose of this measure is to allow a party seeking to record a judgment with the Bureau of Conveyances to redact the first five digits of any Social Security Numbers that may be included on the judgment.

Testimony in support of this measure was received from the Department of Land and Natural Resources and the Collection Law Section of the Hawaii State Bar Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the law pertaining to filings in the Bureau of Conveyances is incongruent with the documentary rules and practices of the Judiciary. Many judicial orders and judgments contain the parties' full Social Security numbers as a means of identification. However, the current law prohibits the Registrar of the Bureau of Conveyances from accepting a document that contains a full Social Security number. Your Committee finds that an unintended consequence of the Legislature's action to protect citizens' privacy by allowing only the last four digits of a person's Social Security number to be included in documents registered or recorded with the Bureau of Conveyances is to preclude the acceptance of some court orders by the Bureau of Conveyances.

Your Committee has amended this measure by adding a section to maintain consistent authority for documents filed in both the Land Court and the Regular System at the Bureau of Conveyances.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1130, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 267 Commerce and Consumer Protection on S.B. No. 764**

The purpose of this measure is to establish a fair and reasonable standard for lease provisions in long term industrial and commercial ground leases.

Specifically, the measure:

- (1) Establishes that whenever a lease condition requires a lessee to obtain approval to assign, transfer, or encumber the lease, the lessor may not unreasonably withhold approval;

- (2) States that any lease provision contained in a lease that has less than twenty years left on its term that requires the lessee to make major and substantial improvements shall be construed to only require the lessee to make reasonable repairs and maintenance;
- (3) Requires that all leases existing or entered into on after July 1, 2009, that includes a renegotiation clause that renegotiates rent on a "fair and reasonable annual rent" be construed to mean that a fair and reasonable rent is a requirement and that such a determination take into account the uses, intensity, subsurface and surface characteristics, and neighborhood of the leased site on the renegotiation date; and
- (4) Establishes that, unless not allowed under the lease, sublessees shall be charged their pro rata share of the renegotiated lease.

Your Committee received testimony in support of this measure from GP Roadway Solutions, Grace Pacific Corporation, Ace Hardware/Ben Franklin Crafts, Servco Pacific, Inc., Citizens for Fair Valuation, Sawdust, and three private citizens. Testimony in opposition to this measure was received from Building Industries Association Hawaii, Alexander & Baldwin, Inc., and Land Use Research Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the issue of fair and reasonable rent negotiations merits further consideration by the Legislature. Your Committee further finds that it is important to support local employers and small businesses in these difficult economic times.

Your Committee has amended this measure by:

- (1) Amending section one to accurately reflect the purpose and intent of this measure;
- (2) Removing the provision relating to the assignment, transfer, or encumbrance of leasehold property;
- (3) Removing the provision limiting the improvements to structures on leasehold property that may be required of lessees; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 764, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 268 (Joint) Commerce and Consumer Protection and Judiciary and Government Operations on S.B. No. 521**

The purpose of this measure is to require the registrar of the Bureau of Conveyances to provide an image and index of all instruments that contain real property transactions to the administrator of the City and County of Honolulu's real property assessment division so that the division may serve as a clearinghouse for real property information.

Your Committees received testimony in support of this measure from the County of Hawaii, the County of Maui, and the City and County of Honolulu, and one private citizen. Testimony in opposition to this measure was received from the Department of Land and Natural Resources. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committees find that this measure will help the counties to accurately assess real property taxes as well as to comply with their obligations to maintain accurate records and provide public notification of changes in land use and zoning. Your Committees note that the counties currently experience a good working relationship with the Department of Land and Natural Resources. This measure will allow the counties and the Department to maintain those relationships as they currently stand, regardless of changes in administration or personnel.

Your Committees have amended this measure by:

- (1) Clarifying that the time limit imposed on the Department of Land and Natural Resources may be waived in the event of unforeseen circumstances that create an unavoidable delay;
- (2) Clarifying that the Department is not obligated to provide information free of charge to private interests; and
- (3) Making technical, nonsubstantive changes to sections for the purpose of clarity in statutory language.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 521, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 521, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and the Vice Chair on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 3 (Bunda, Gabbard, Hemmings).

**SCRep. 269 (Joint) Commerce and Consumer Protection and Public Safety and Military Affairs on S.B. No. 1255**

The purpose of this measure is to create a special revolving fund to receive deposits of cigarette certification fees and delay the implementation of the reduced ignition propensity cigarettes law until September 30, 2010.

Your Committees received testimony in support of this measure from the State Fire Council, County of Kauai Fire Department, and Coalition for a Tobacco-Free Hawaii. Testimony with comments was received from the Department of Budget and Finance. Written testimony presented to the Committees may be reviewed on the Legislature's website.



Your Committees find that this measure will allow the State Fire Council to enforce the reduced ignition propensity cigarette law by enabling it to hire staff and contractors to establish administrative rules, process certifications, and post program information on the State Fire Council's website. Your Committees find that the funding allocated to the State Fire Council in this measure is sufficient to sustain the enforcement program developed by the State Fire Council.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1255 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, none. Excused, 2 (Gabbard, Sakamoto).

**SCRep. 270 Public Safety and Military Affairs on S.B. No. 1060**

The purpose of this measure is to increase the permit fee for purchase of fireworks and for license fees for fireworks.

Specifically, the measure increases the following fees:

- (1) For the use of consumer fireworks during religious, cultural, and authorized events or dates, from \$25 to \$35;
- (2) For the use of aerial devices, display fireworks, or articles pyrotechnic, from \$110 to \$250; and
- (3) For an importer license fee, from \$3,000 to \$4,000.

Your Committee received testimony in support of this measure from the State Fire Council; Honolulu Fire Department; Kauai Fire Department; and American Lung Association. Testimony in opposition was received from the Legislative Information Services of Hawaii and Pinky's 5 Eight. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Fireworks permit and import fees have not increased in nine years, even though the cost of services provided by fire, police, and emergency medical personnel continues to increase. In addition, the counties bear the cost of cleaning the streets and parks after a fireworks display.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 271 Public Safety and Military Affairs on S.B. No. 210**

The purpose of this measure is to clarify the circumstances under which inmates may be transferred between correctional facilities located in Hawaii as well as to correctional facilities located outside of Hawaii.

Testimony in support of this measure was submitted by four private organizations and five private individuals. Testimony in opposition of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there are no applicable statutes that govern the transfer of inmates between facilities within the State or to facilities outside of Hawaii. Your Committee also finds that a uniform protocol or set of standards need to be established to guide the Department of Public Safety in complying with inmate transfers in a satisfactory and efficient manner. Your Committee further finds that providing the Director of Public Safety with the discretion or flexibility in proceeding with inmate transfers would be in the best interests of the State and the inmates being transferred.

Your Committee has amended this measure by:

- (1) Deleting the fourteen day notice requirement to a committed felon prior to their transfer;
- (2) Deleting the criteria relating to regularly participating in parent-teacher conferences;
- (3) Deleting the criteria relating to a minimum of six contacts by the committed felon with their child prior to the proposed transfer;
- (4) Amending the definition of "child" by deleting the reference to a hanai child;
- (5) Deleting the right of a committed felon to appeal their transfer decision; and
- (6) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 210, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (English). Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 272 (Majority) Public Safety and Military Affairs on S.B. No. 212**

The purpose of this measure is to require privately owned prisons or out-of-state detention facilities that incarcerate Hawaii inmates pursuant to a contract with the State of Hawaii to follow the state freedom of information laws pursuant to chapter 92F, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by one state agency, four private organizations, and three individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is important for privately owned prisons and out-of-state detention facilities operating under a contract with the State of Hawaii to maintain a standard of accountability and transparency. Your Committee also finds that information submitted to the Legislature by privately owned prisons and out-of-state detention facilities under the State's freedom of information laws will aid the Legislature in making sound fiscal and public policy decisions regarding the incarceration of Hawaii inmates.

Your Committee has amended this measure by:

- (1) Deleting an unnecessary provision clarifying that any available remedy received shall not provide a privilege to expose confidential information protected under sections 92F-13 and 482B-3, Hawaii Revised Statutes; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 212, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Hemmings). Excused, 2 (Gabbard, Galuteria).

**SCRep. 273 Public Safety and Military Affairs on S.B. No. 538**

The purpose of this measure is to provide the State Fire Council with two full-time equivalent positions for an administrator and an administrative assistant.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that establishing two full-time equivalent positions in the State Fire Council will enable the Council to accomplish their daily duties and responsibilities in a more efficient and effective manner.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 538, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 538, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 274 Public Safety and Military Affairs on S.B. No. 564**

The purpose of this measure is to allow, rather than require, the county fire chief to conduct an inspection of all buildings and premises to provide fire prevention and pre-fire planning.

Your Committee received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, and Kauai Fire Department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would allow fire inspections to be conducted in accordance with fire and life safety risks of the building. Thorough and complete fire inspections reduce the risk of fire but are time-consuming because repeated follow-up inspections are required until compliance is achieved. Fire departments can utilize their limited resources more efficiently and effectively by focusing on structures with high risk and occupancy, such as assembly buildings and high rises.

Your Committee has amended this measure by inserting an unspecified number of years for inspections of buildings and premises other than public schools which remain at least once a year.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 564, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 564, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 275 Public Safety and Military Affairs on S.B. No. 619**

The purpose of this measure is to allow an incarcerated person, who was a Hawaii resident at the time of the person's arrest, to vote by absentee ballot in Hawaii elections.

Testimony in support of this measure was submitted by five private organizations and ten individuals. Testimony in opposition of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that allowing an incarcerated person, who was a Hawaii resident at the time of the person's arrest, to vote by absentee ballot in Hawaii elections facilitates the person's awareness and knowledge of the social policies that are important to the

residents of Hawaii. This will help the person achieve a more successful reentry and be a participating member of the community upon release.

Your Committee has amended this measure by clarifying that the incarcerated person shall only be permitted to vote in Hawaii's elections by absentee ballot.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 619, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 276 Public Safety and Military Affairs on S.B. No. 1061**

The purpose of this measure is to prohibit the retail sale or distribution of novelty lighters.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that prohibiting the retail sale or distribution of novelty lighters will decrease the number of fire related calls or emergencies that result from minors inappropriately using novelty lighters.

Your Committee has amended this measure by:

- (1) Changing the reference to National Fire Protection Agency to National Fire Protection Association; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1061, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1061, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 277 (Majority) Education and Housing on S.B. No. 442**

The purpose of this measure is to authorize and appropriate funds for the Hawaii Housing Finance and Development Corporation to grant funds to affordable housing developers to contract for third-party review and certification to expedite the processing and issuance of building permits for an affordable housing project that is part of a transit oriented development.

Testimony in support of this measure was submitted by one state agency, two county agencies, and two private organizations. Testimony in opposition was submitted by one state agency. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committee further finds that the City and County of Honolulu's mass transit project offers exceptional opportunities for the development of affordable housing. Your Committee has heard and approved a wide range of proposed affordable housing initiatives in transit oriented development and encourages further legislative discussions on the proposal in this measure.

Your Committee has amended this measure by:

- (1) Designating the majority of the existing provisions contained in the measure as received by your Committee as part I, and adding definitions for "code", "third-party certification", "third-party review", and "transit oriented development";
- (2) Designating a part II, which would add a new chapter in the Hawaii Revised Statutes, establishing a Commission on Transit Oriented Development and Commission membership and functions; and
- (3) Amending the purpose section to reflect the above changes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 442, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 278 (Joint) Education and Housing and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1277**

The purpose of this measure is to increase incentives for the development of affordable housing in Hawaii.

Specifically, this measure:

- (1) Establishes a self-help housing trust fund to be funded through an allocation of the conveyance tax;

- (2) Increases the conveyance tax incrementally, starting with properties with a value of at least \$1,000,000;
- (3) Reduces the time period from ten to five years over which low income housing tax credits may be claimed;
- (4) Facilitates the Hawaii Housing Finance and Development Corporation's ability to collect excess proceeds in lieu of a buy back, on a shared appreciation equity lien, and on a deferred sales price lien; and
- (5) Establishes an income tax credit of up to twenty per cent of the annual mortgage interest payment amount for low and moderate income homeowners.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition was submitted by one private organization. Comments were submitted by two state agencies and three private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committees find that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committees are concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committees have heard and approved a wide range of proposed initiatives related to the use of conveyance tax revenue, and encourage further legislative discussions on the proposals in this measure.

Your Committees have amended this measure by:

- (1) Increasing the amount of conveyance tax paid per \$100 of value for properties with a value greater than \$1,000,000, by a purchaser who is ineligible for a county homeowner's exemption;
- (2) Adding a new part V, to require the Hawaii Housing Finance and Development Corporation to report to the 2010 Legislature with recommendations regarding the use of tax incremental financing as an economic development tool to leverage private development investment, including any legislation that may be required to implement tax incremental financing in Hawaii;
- (3) Amending the effective date to July 1, 2035, for the purpose of encouraging further discussion; and
- (4) Making a technical amendment for the purpose of clarity and consistency.

Your Committees understand that the higher conveyance tax rates for a purchaser who is ineligible for a county homeowner's exemption may adversely affect a homeowner who is eligible for the county exemption on a primary residence, but not on an additional residence. Your Committees concur with this concern, as many residents may share ownership in an additional residence with family members. Your Committees encourage further discussion of this matter in an effort to develop a means of addressing the issue.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1277, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1277, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (Bunda, Fukunaga, Tsutsui, Hemmings).

**SCRep. 279 Education and Housing on S.B. No. 1250**

The purpose of this measure is to clarify that unlicensed teachers employed as emergency hires prior to July 1, 2008, may be employed on an emergency basis for no more than four years.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will clarify ambiguities in Act 125, Session Laws of Hawaii 2008, regarding the Department of Education requirements for hiring in emergency situations.

Your Committee has amended this measure to make it clear that:

- (1) No individual may be employed on an emergency basis for more than three consecutive years; and
- (2) Unlicensed teachers employed on an emergency basis after June 30, 1997, but prior to July 1, 2008, may be employed on an emergency basis for no more than four consecutive years.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1250, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1250, S.D. 1, and be referred to the Committee on Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 280 Human Services on S.B. No. 921**

The purpose of this measure is to abolish the Statewide Council on Independent Living in order to conform to federal guidelines for states to receive federal financial assistance for independent living services under title 29 United States Code section 796d.

Testimony in support of this measure was received from the Department of Human Services; the State Council on Developmental Disabilities; the Statewide Independent Living Council; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will bring the State into conformity with title 29 United States Code section 796d and provide for Hawaii's continued eligibility for receipt of federal financial assistance.

Federal law provides that to be eligible to receive financial assistance for services relating to individuals with significant disabilities, a state may not establish its statewide independent living council as an entity within a state agency. Section 348-9, Hawaii Revised Statutes, provides that Hawaii's Statewide Council on Independent Living is established within the Department of Human Services. This section is nonconforming with federal law because it establishes the State's independent living council within a state agency. Your Committee therefore finds that this measure serves to ensure continued receipt of federal financial aid for independent living services by repealing section 348-9, Hawaii Revised Statutes, and allowing for the preparation of a state plan as required by federal law.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 281 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Economic Development and Technology on S.B. No. 1314**

The purpose of this measure is to create the State Resources Protection and Development Agency to house functions currently under the Aloha Tower Development Corporation, the State Planning Office, and the Hawaii Community Development Corporation.

One state agency submitted comments. Testimony in opposition to this measure was submitted by two state agencies and one organization. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of the state government is necessary to ensure that all available avenues to accomplish more with less have been explored.

Your Committees have amended this measure by:

- (1) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1314, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1314, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 2 (Hemmings, Slom). Excused, 4 (Baker, Bunda, Ige, Takamine).

**SCRep. 282 (Joint) Transportation, International and Intergovernmental Affairs and Energy and Environment on S.B. No. 1202**

The purpose of this measure is to:

- (1) Establish energy diversification, and research and development of nonfossil fuel and energy efficient modes of transportation as a state objective;
- (2) Provide income tax credit for the development of infrastructure for electric vehicle charging and for alternative fuel refueling infrastructure;
- (3) Require the designation of parking spaces for electric vehicles in public and government parking lots; and
- (4) Exempt persons or businesses that own, control, operate, or manage plants or facilities primarily used to charge or discharge vehicle batteries from public utility regulation.

Your Committees received testimony in support of this measure from Hawaiian Electric Company and its subsidiaries, Maui Electric Company, Ltd., and Hawaiian Electric Light Company, Inc.; International Brotherhood of Electrical Workers, Local Union No. 1186; Ralph S. Inouye Co Ltd.; Blue Planet Foundation; Sierra Club Hawai'i Chapter; and one individual. Testimony in support of this measure with offered amendments was submitted by Better Place Hawaii and High Technology Development Corporation. Testimony in support of the intent of this measure was submitted by the Department of Taxation and the Department of Business, Economic Development and Tourism. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that Hawai'i must take bold steps towards reducing its dependence on imported fossil fuels. Hawai'i imports ninety-five per cent of its energy, most of which comes from petroleum and coal. Specifically, eighty-nine per cent of Hawai'i's energy is derived from petroleum and six per cent is derived from coal. Of all energy consumed in the State, approximately forty per cent is used for transportation purposes, compared with residential use of eight per cent, commercial use of ten per cent, electric power generation at twenty-five per cent, and industrial uses at sixteen per cent.

Your Committees further find that it essential that the State aggressively promote and develop alternatives to fossil fuel modes of transportation. This measure promotes the State's goals of becoming fossil fuel independent. Investment needs to be made in renewable energy resources rather than spending billions of dollars overseas for foreign oil. The environment will be protected as Hawai'i makes its contribution to the global green effort to reduce global warming.

Your Committees have amended this measure by:

- (1) Clarifying that the income tax credit for alternative fuel refueling infrastructure applies to individual or corporate net income taxes;
- (2) Requiring designation of parking spaces for electric vehicles in public, private, and government parking facilities;
- (3) Inserting unspecified dates for the deadlines for the:
  - (A) Designation of parking spaces;
  - (B) Development and implementation of a plan to expedite permitting and installation of battery exchange stations and electric vehicle charging outlets; and
  - (C) Report to the Legislature by the Department of Transportation;
- (4) Deleting references to penalties; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1202, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1202, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Ayes with Reservations, 1 (Slom). Noes, none. Excused, none.

**SCRep. 283 (Joint) Higher Education and Labor on S.B. No. 1665**

The purpose of this measure is to enhance the training capacity of Hawai'i's community colleges by establishing a Skilled Worker and Business Development Center to provide workforce training to meet the rapidly evolving needs of both employers and employees, and to appropriate federal Reed Act funds to assist in creation of the Center and its programs.

Testimony in support of this measure was submitted by the University of Hawai'i System and the Department of Education. Testimony in opposition was submitted by the Department of Labor and Industrial Relations. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that Act 190, Session Laws of Hawaii 2006, allocated \$10,000,000 from Reed Act funds to the four counties and the State Workforce Development Council for various employment and employment-related services. The law was amended by Act 123, Session Laws of Hawaii 2007, to provide an allocation to the Department of Labor and Industrial Relations for reporting, contracting, and oversight of use of the funds and to reduce the allocations to counties by a pro-rata share to ensure the total appropriation remained at \$10,000,000. An additional \$5,600,000 was appropriated by Act 189, Session Laws of Hawaii 2008, which allocated Reed Act funds to the Counties of Hawaii and Maui and to the Department of Labor Industrial Relations for additional workforce services, including services for an increasing number of dislocated workers.

Your Committees believe these Acts have clearly established acceptable, alternative means of expending Reed Act funds. However, your Committees have heard concerns that federal regulations prohibit the Reed Act funds from being expended for training, and require the funds to be expended by the Department of Labor and Industrial Relations. As clearly stated in the appropriation section, the funds are to be used for creation of a program to meet the needs of unemployed workers, not the actual training component. Your Committees concur that this measure is too important for both workers and employers to jeopardize its passage by not meeting all federal requirements.

In addition to the following amendments, your Committees will seek to contact the United States Department of Labor to clarify how the measure might be further amended to satisfy federal requirements and shall advise the Committee on Ways and Means of the information received.

Your Committees have amended this measure by:

- (1) Designating the Department of Labor and Industrial Relations as the expending agency; provided that the funds shall be expended in conjunction with the University of Hawaii through the rapid response fund established under program ID (UOH 800), University of Hawaii community colleges;
- (2) Adding a representative of the Small Business Administration to the advisory council; and
- (3) Making a technical amendment to correct a drafting error.

As affirmed by the records of votes of the members of your Committees on Higher Education and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1665, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1665, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 284 (Joint) Higher Education and Economic Development and Technology on S.B. No. 1351**

The purpose of this measure is to establish the Office of the Vice Chancellor for Research and Economic Development at the University of Hawai'i at Hilo.

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism; Kanoelehua Industrial Area Association; Hawaii Island Chamber of Commerce, and Japanese Chamber of Commerce & Industry of Hawai'i. The University of Hawai'i System submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committees have heard that the University of Hawai'i at Hilo has had remarkable growth in its research effort in the first seven years of this decade, including increases of 462.5 per cent in funding and 341 per cent in the number of awards. The Office of the Vice Chancellor for Research and Economic Development proposed in this measure would serve a vital coordinating function in ensuring the University of Hawai'i at Hilo continues to attract research funding, carry out quality research, and provide research training for both undergraduate and graduate students.

Your Committees are very supportive of the Interim Vice Chancellor and his efforts to bring the campus and community together for the benefit of both. Your Committees also understand the importance of maintaining the current momentum, particularly in a region that has one of the highest unemployment rates in the State.

However, your Committees are also concerned about the long-term costs of establishing and maintaining such an Office. Your Committees have heard that much of the funding for the Office would be through federal grants, private investment, and other "soft moneys", and your Committees commend the proponents of this measure for considering these alternatives. Your Committees believe that given the current economic uncertainties, this measure will benefit from further legislative discussion.

Your Committees have amended this measure to clarify that the Office of the Vice Chancellor for Research and Economic Development shall be under the direction of a Vice Chancellor, to more accurately reflect the language in other University statutes.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1351, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1351, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Hee, Kokubun, Takamine, Taniguchi).

**SCRep. 285 (Joint) Higher Education and Economic Development and Technology on S.B. No. 508**

The purpose of this measure is to support and appropriate funds for the applied archaeology graduate program at the University of Hawai'i at Manoa.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, Historic Hawai'i Foundation, Kamehameha Schools, and twelve individuals. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that in 2007, the University of Hawai'i at Manoa initiated the applied archaeology program to train students in understanding and meeting the unique challenges of historic preservation in Hawai'i. The program was designed to help students and working professionals throughout the State and in its second year, is receiving a sharply increased number of applications from local students. This measure would expand the program and assist in addressing what has become a critical shortage of archaeologists – both in government and the private sector – with an understanding of the complex cultural, historic, and practical aspects of historic preservation in Hawai'i.

Your Committees are strongly supportive of the initiatives in this measure, particular the increased emphasis on distance learning for those students on Neighbor Islands. In addition, your Committees believe that the community workshops in this measure are vital in building on and continuing past collaborative efforts of the State's historic preservation professionals.

Your Committees have amended this measure by making technical amendments to correct a drafting error.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 508, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 508, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Hee, Kokubun, Takamine, Taniguchi).

**SCRep. 286 Transportation, International and Intergovernmental Affairs on S.B. No. 1613**

The purpose of this measure is to allow the Department of Transportation to impose upon private parties using state harbors and airports the duty to defend, hold harmless, and indemnify.

Your Committee received testimony in support of this measure from the Department of Transportation. Comments were received from the Hawaii Harbors Users Group. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is in response to a Hawaii Supreme Court case (*Haole v. State of Hawaii*), in which the court held that the Department of Transportation lacked statutory authority to adopt a rule to impose a duty upon users to defend and indemnify the State.

Your Committee has amended this measure on the recommendation of the Department of Transportation to insert clarifying language into the indemnity provision covering commercial harbors.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1613, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1613, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 287 Human Services on S.B. No. 800**

The purpose of this measure is to assist the State Commission on Fatherhood in its mission by making appropriations for permanent staff and lengthening the terms of Commission membership to promote continuity.

Your Committee received testimony in support of this measure from the Department of Human Services, the Office of Youth Services, and the State Commission on Fatherhood. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State Commission on Fatherhood was established as a permanent entity within the State in 2007 in recognition of its value in promoting healthy family relationships between parents and children. Your Committee further finds that children are more likely to thrive with support, guidance, and nurturing from both parents. The presence of fathers has a positive impact on the lives of their children, as reflected in better academic performance, fewer high-risk behaviors, and higher self-esteem.

Your Committee further finds that it is necessary for the Commission on State Fatherhood to hire an executive director and the staff necessary to implement its strategic plan. The plan calls for a statewide inventory of services available to fathers, developing policy recommendations for best practices in providing services for fathers, and identifying and promoting new laws to improve father involvement, among other goals. The appropriations included in this measure are intended to fund the creation of permanent positions within the Commission.

Based on testimony received relating to the measure, your Committee finds that a longer term for voting membership on the State Commission on Fatherhood would permit continuity and reduce the difficulty the Commission has faced in timely replacing vacant membership seats. Further, each member shall serve for a maximum of two terms.

Your Committee has amended the measure as follows:

- (1) By inserting a specific amount for appropriation and making such appropriation for each year of the 2009-2011 fiscal biennium; and
- (2) By inserting language to amend subsection (c) of section 577E-3, Hawaii Revised Statutes, to extend the term of membership on the State Commission on Fatherhood to four years, and to limit members to serving no more than two terms on the Commission.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 800, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 800, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 288 Economic Development and Technology on S.B. No. 749**

The purpose of this measure is to establish a general excise tax exemption for all of the gross proceeds or income arising from providing flight instruction.

Testimony in opposition of this measure was submitted by the Department of Taxation. Written testimony presented to your Committee is available for review on the Legislature's website.

Your Committee finds that providing a general excise tax exemption for the services offered by flight training schools will provide a tax incentive that would increase the likelihood that flight training schools will be developed and located in Hawaii. Your Committee also finds that the Department of Taxation's projected annual loss in general excise tax revenues does not take into consideration the fact that no general excise tax revenues are presently being recouped by the State for services offered by flight training schools and that the Department's estimated revenue loss fails to consider increases in other tax revenues that will be received by the State from the flight training schools, such as income, withholding, and employment taxes. Those additional tax revenues would more than likely offset any losses of the State from general excise tax revenues.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, as introduced, would result in an annual revenue loss to the State of \$210,000. Their methodology is as follows:

The Department of Taxation estimates that there would be seven flight training schools located in Hawaii and that each training school would average an annual general excise tax liability of \$30,000, thus a total general excise tax loss to the State of \$210,000 each year.

Your Committee believes that the impact of this measure must be measured in conjunction with the benefits attributable to increased economic activity from the combination of this measure and S.B. No. 1299, which includes businesses engaged in flight simulator training as a qualified business for purposes of the enterprise zone laws.



As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 749 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 289 Health on S.B. No. 1178**

The purpose of this measure is to ensure the safety of dialysis patients in an emergency situation by requiring all dialysis centers in Hawaii to have backup emergency generators with the capacity to sustain dialysis treatments and the center's water treatment system.

Your Committee received testimony in support of this measure from two individuals. Your Committee received testimony in support of intent of this measure with comments from the National Kidney Foundation, Liberty Dialysis, and the Policy Advisory Board for Elder Affairs. Your Committee received testimony in opposition to this measure from the Department of Health.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that a more comprehensive approach is necessary to ensure the safety of dialysis patients in the event of an emergency. Federal regulations require every dialysis clinic to have an emergency plan and are required to conduct periodic drills. In the event of an area wide major emergency, all medical care institutions may be damaged. Currently, the Centers for Medicaid and Medicare Services are in the process of determining whether life safety measures should require backup generators in all dialysis facilities.

Your Committee further finds that the Department of Health is the appropriate agency to ensure that emergency plans are properly in place and implemented to ensure the safety of all dialysis patients.

Accordingly, your Committee has amended this measure by:

- (1) Removing the requirement that all dialysis centers in Hawaii have backup emergency generators;
- (2) Requiring the Department of Health to review emergency plans and develop guidelines of all dialysis centers in the State to ensure the safety of dialysis patients in the event of a public emergency; and
- (3) Requiring the Department to post on its website a list of all dialysis centers in Hawaii that have backup emergency generators with the capacity to sustain dialysis treatments and maintain their water treatment system.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 290 Health on S.B. No. 420**

The purpose of this measure is to expand the scope of practice for naturopathic physicians by authorizing naturopathic physicians to administer parenteral therapy, intravenous, subcutaneous, and intramuscular injections, and to obtain federal Drug Enforcement Administration registration and prescribe controlled substances.

Your Committee received testimony in support of this measure from the Hawaii Society of Naturopathic Physicians, Bastyr University, and twenty-eight individuals. The Board of Examiners in Naturopathy (Board) submitted testimony in support of the intent of the measure with amendments. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure significantly expands the scope of practice for naturopathic physicians. Your Committee further finds that, to ensure public safety and proper enforcement, clear standards of practice and guidelines need to be established and implemented by the Board.

Your Committee has amended this measure by:

- (1) Including language that states the Board may adopt, amend, or repeal rules provided that "all rules shall be approved by the governor and the director of commerce and consumer affairs, and when adopted pursuant to chapter 91 shall have the force and effect of law. The rules may forbid acts or practices deemed by the Board to be detrimental to the accomplishment of the purpose of this chapter, establish standards of practice, care and ethics, establish the medications that may be prescribed by licensees, require licensees to complete educational courses and training, and establish requirements for parenteral therapy. This enumeration of specific matters that may properly be made the subject of rules shall not be construed to limit the Board's broad general power to make rules necessary to fully effectuate the purpose of this chapter";
- (2) Including that prescribing medications not approved by the Board shall subject the licensee to disciplinary action;
- (3) Including "parenteral therapy" in the definition of "naturopathic medicine"; and
- (4) Changing the effective date to July 1, 2050, to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 420, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 420, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 291 (Majority) Health on S.B. No. 1094**

The purpose of this measure is to reduce health care costs by directing the Department of Health to develop and implement a patient-centered health care homes pilot project to provide primary health care funding to federally qualified health centers.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association and the Waikiki Health Center. Your Committee received testimony in opposition to this measure from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that federally qualified health centers have consistently struggled financially due to low reimbursement rates for services provided. This measure proposes to study a patient-centered health care homes model for providing comprehensive health care that will be a substantial costs-savings to the health care system by early and accurate identification of health problems resulting in significantly less use of emergency room services, specialist referrals, duplicative testing, and fewer hospitalizations for ambulatory-sensitive conditions.

Your Committee has amended this measure by changing the appropriation to require the funding for the program to derive solely from the federal stimulus plan known as the American Recovery and Reinvestment Act of 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1094, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Espero).

**SCRep. 292 Health on S.B. No. 517**

The purpose of this measure is to address issues resulting from health care provider shortages and ensure quality health care delivery by updating signature authority for certain medical professionals.

Specifically, this measure permits physician assistants, nurse practitioners, registered nurses, clinical nurse specialists, and certified nurse midwives, who provide the actual care, to sign certain medical certification forms for their patients applicable to the care provided within each practitioner's scope of practice.

Your Committee received testimony in support of this measure from Hawaii Primary Care Association, the School of Nursing and Dental Hygiene of the University of Hawaii at Manoa, the Occupational Therapy Association of Hawaii, and one individual. Your Committee received testimony in opposition to this measure from the Board of Nursing, the Hawaii Association for Professional Nurses, and one individual. Comments on this measure were received from the Hawaii Medical Board and Kaiser Permanente.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that certified registered nurse anesthetists, clinical nurse specialists, and certified nurse midwives are recognized by state boards of nursing in all fifty states as advanced practice registered nurses. Further, providing registered nurses with signature authority was not the intent of the measure.

Accordingly, your Committee has amended this measure by adopting the recommendations of the Board of Nursing by:

- (1) Clarifying that all advanced practice registered nurses who provide the actual care, may sign certain medical certification forms for their patients applicable to the care provided within each practitioner's scope of practice;
- (2) Removing the authority of registered nurses to sign certain medical certification forms;
- (3) Clarifying that the documents that are authorized to be signed are those within each practitioner's scope of practice, and not limited to only those listed in the measure; and
- (4) Changing the effective date to July 1, 2050 to encourage further discussion on this matter.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 517, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 293 Health on S.B. No. 585**

The purpose of this measure is to expand the ability of individuals in remote areas of the State to gain access to prescription medications, including controlled substances and individuals with health insurance, through the use of remote dispensing pharmacies.

Your Committee received testimony in support of this measure from the Department of Human Services and Hawaii Medical Service Association. Kaiser Permanente submitted testimony in support of the measure with amendments. Walgreens submitted

testimony in support of the intent of the measure. Comments on the measure were received from the Department of Public Safety and the Board of Pharmacy.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that certain areas of the State have limited or no access to prescription medications. This measure will improve patient compliance with drug therapies by authorizing the use of remote dispensing pharmacies for individuals with health insurance who prescriptions filled for controlled substances, and individuals living in remote areas and areas without a pharmacy.

Your Committee has amended this measure by adopting the recommendations of the Department of Public Safety and Kaiser Permanente by:

- (1) Clarifying that a remote dispensing pharmacy may provide medications to patients with health insurance coverage who reside on an island without a pharmacy or in remote areas where there are no pharmacies within a five mile radius of an existing pharmacy;
- (2) Clarifying that a remote dispensing pharmacy may continue to operate in the same location if a pharmacy is subsequently established on the same island as the remote dispensing pharmacy or in the remote area that is not within a five mile radius of an existing pharmacy; provided that the remote dispensing pharmacy shall no longer be authorized to dispense controlled substances;
- (3) Authorizing remote dispensing pharmacies located at facilities operated by a health maintenance organization regulated pursuant to chapter 432D, Hawaii Revised Statutes, to operate and provide medications to patients with health insurance coverage who are served; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 585, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 294 Health on S.B. No. 516**

The purpose of this measure is to clarify and standardize existing laws regarding end-of-life care and advanced directives to ensure that emergency services personnel and first responders can comply with the patient's wishes.

Specifically, this measure seeks to use a standardized form called the "physician orders for life-sustaining treatment" form, to transform a person's advance directive into a medical order that would be accepted by all health care settings.

Your Committee received testimony in support of this measure from the City and County of Honolulu Department of Emergency Services, one organization, and four individuals. Your Committee received testimony in opposition to this measure from the Department of Health.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that emergency services personnel are mandated by law to attempt resuscitation unless the person has a state issued comfort care only, do not resuscitate bracelet or necklace. However, these bracelets are only issued to individuals who have a terminal condition. Many community members mistakenly believe that their advanced health care directive or living will is enough to prevent an unwanted attempt at resuscitation by emergency responders.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on this matter.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 516, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 295 Health on S.B. No. 779**

The purpose of this measure is to deter smoking by young women by prohibiting the sale or distribution of cigarette "purse packs" in Hawaii.

Your Committee received testimony in support of this measure from the American Lung Association, the Coalition for a Tobacco-Free Hawaii, Papa Ola Lokahi, and two individuals. Your Committee received testimony in opposition to this measure from one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that cigarette manufacturers continue to create new marketing strategies aimed at teenagers. Your Committee further finds that the federal Cigarette Labeling and Advertising Act prohibits states from imposing limitations on the advertising or promotion of cigarettes that are packaged and labeled in conformity with the Act.

Your Committee has amended this measure by deleting the language referring to the prohibition of the sale or distribution of “purse packs” and replaced it with language prohibiting the sale or distribution of cigarettes having a reduced circumference smaller than that of a standard cigarette circumference of twenty-five millimeters.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 779, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 296 Health on S.B. No. 1045**

The purpose of this measure is to improve access to quality health care by:

- (1) Requiring health insurers, mutual benefit societies, and fraternal benefit societies, and health maintenance organizations to recognize advanced practice registered nurses as primary care providers;
- (2) Granting global signature authority to advanced practice registered nurses;
- (3) Authorizing prescriptive authority to advanced practice registered nurses; and
- (4) Abolishing the Joint Formulary Advisory Committee.

Your Committee received testimony in support of this measure from Hawaii Primary Care Association, the School of Nursing and Dental Hygiene at the University of Hawaii at Manoa, Hawaii Government Employees Association, the Hawaii State Center for Nursing, Lanai Women’s Center, Walgreens, and ten individuals.

Your Committee received testimony in opposition to this measure from Kaiser Permanente, Hawaii Medical Association, and one individual. Comments on this measure were received from the Department of Human Services, the Board of Nursing, and Hawaii Medical Service Association,

Copies of written testimony are available for review on the Legislature’s website.

Your Committee finds that authorizing advanced practice registered nurses to be recognized as primary care providers with signature and prescriptive authority will help to alleviate the shortage of health care providers across the State by providing access to quality clinicians.

Your Committee has adopted the recommendations of the Board of Nursing and amended this measure by:

- (1) Clarifying the definition of advanced practice registered nurse to require either a Master of Science in Nursing degree or a passing score on a national certification examination;
- (2) Deleting the additional definition of “advanced practice registered nurse”;
- (3) Re-inserting the Board’s authority to designate the requirements for advanced practice registered nursing practice related to prescriptive authority;
- (4) Re-inserting the Board’s authority to establish nursing requirements for education, experience, and national certification pursuant to rules adopted in accordance with chapter 91, Hawaii Revised Statutes;
- (5) Clarifying that advanced practice registered nurses are authorized to diagnose, prescribe, and institute therapy or referrals of patients, within their practice specialty; and
- (6) Changing the effective date to July 1, 2050, to encourage further discussion on this matter.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1045, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 297 Health on S.B. No. 967**

The purpose of this measure is to make Hawaii’s controlled substance laws consistent with that of federal law and clarify sections of chapter 329, Hawaii Revised Statutes, relating to controlled substances.

Specifically, this measure:

- (1) Adds new drugs to schedules II and III of Hawaii’s controlled substance laws sections 329-16(b), 329-16(e) and 329-18(g), Hawaii Revised Statutes, as required by section 329-11(d), Hawaii Revised Statutes, which states that if a substance is added, deleted, or rescheduled under federal law, the Department shall recommend to the Legislature that a corresponding change in Hawaii law be made;

- (2) Amends section 329-33 and 329-34, Hawaii Revised Statutes, to add language to provide that the surrender of an applicant's federal controlled substance registration shall be considered in determining whether the applicant's state registration is in the public interest and is a finding upon which a state registration may be suspended or revoked;
- (3) Amends section 329-38, Hawaii Revised Statutes, relating to controlled substances prescriptions to allow pharmacies to transfer refills of Schedule III through V controlled substance prescriptions between islands;
- (4) Allows pharmacies that are electronically sharing a real-time, online database to transfer controlled substance prescriptions between their pharmacies up to the maximum refills permitted by law and designates procedures for these transfers;
- (5) Amends section 329-41(a)(6), Hawaii Revised Statutes, that requires practitioners and pharmacists dispensing controlled substances to document in their log books the full name, signature, and identification number, and identification type of the customer obtaining the controlled substance prescription; and
- (6) Amends section 329-52, Hawaii Revised Statutes, relating to administrative inspections and warrants of controlled substance registrants to make this section consistent with inspection procedures utilized by the Department of Health.

Your Committee received testimony in support of this measure from the Department of Public Safety, the City and County of Honolulu Police Department, Kaiser Permanente, and Longs Drugs. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure will safeguard the public by ensuring consistency in the regulation and enforcement of controlled substances by updating Hawaii's laws to be consistent with the Federal Controlled Substances Act.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 967, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 298      Health on S.B. No. 932**

The purpose of this measure is to improve the early diagnosis of human immunodeficiency virus infections by removing significant procedural barriers to human immunodeficiency virus testing.

This measure accomplishes this purpose by replacing the requirement for pre-test human immunodeficiency virus counseling and for written informed consent with an opt-out requirement that requires a health care provider to inform a patient, either verbally or in writing, that they plan to perform a test to detect an human immunodeficiency virus infection and allows the patient to decline the test.

Your Committee received testimony in support of this measure from the Department of Health, Life Foundation, and one individual. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawaii.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that increasing access to human immunodeficiency virus testing will enable early detection and treatment for infected persons and lower the risk of human immunodeficiency virus transmission to their partners or others.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 932, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 299      Health on S.B. No. 1208**

The purpose of this measure is to safeguard the public health, safety, and welfare by establishing a licensure program for genetic counselors to be administered by the Department of Health.

Your Committee received testimony in support of this measure from the Kapiolani Medical Center for Women and Children and one hundred eighteen individuals. The Department of Health submitted testimony in opposition to this measure. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that genetic counselors are a vital part of the health care team that provides care to individuals throughout their lifespan. Your Committee further finds that licensure of genetic counselors is necessary to protect the public from persons who are unauthorized and untrained to perform these services. This measure will ensure that genetic counseling services are provided by highly trained professionals.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1208, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 300 Health on S.B. No. 931**

The purpose of this measure is to protect public health from the potential spread of disease.

Specifically, this measure grants the Department of Health authority to demand entry onto any premises, public or private, for the purpose of conducting an administrative investigation, when the Director of Health finds that reasonable cause exists, to secure or collect any samples necessary for epidemiologic investigations.

Your Committee received testimony in support of this measure from the Department of Health. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is necessary to protect public health by allowing the Department of Health to conduct epidemiologic investigations and collect samples in a timely manner in order to prevent the further outbreak of disease.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 931, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 301 Health on S.B. No. 567**

The purpose of this measure is to increase the number of eligible blood donors, foster a commitment to blood donation, and enhance our ability to meet the growing demand for blood.

This measure accomplishes this purpose by lowering the minimum age requirement for blood donation to sixteen years of age, provided that parental consent is obtained.

Your Committee received testimony in support of this measure from two individuals.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that twenty-three states have passed legislation or adopted variances recognizing sixteen year olds as eligible voluntary blood donors with parental consent. Your Committee further finds that allowing sixteen year olds to donate blood will increase the donor pool and increase the availability of blood supply to help others in need.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 567 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 302 Health on S.B. No. 727**

The purpose of this measure is to protect public health by encouraging employers to provide automated external defibrillator programs.

Your Committee received testimony in support of this measure from the Department of Health. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure encourages employers to provide external defibrillator programs by specifying that any person, including an employer, who provides for an automated external defibrillator program shall not be vicariously liable for any civil damages resulting from good faith resuscitation of a person who is in immediate danger of loss of life.

Your Committee further finds that this measure will help to protect public health by removing liability concerns of employers for providing automated external defibrillator programs in hopes that employers will be encouraged to provide more of these programs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 727 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 303 Health on S.B. No. 844**

The purpose of this measure is to allow for more timely investigation of crimes when public health statistics records are needed, while protecting the privacy of the records.

Specifically, this measure authorizes the Department of Health to permit law enforcement officers to inspect public health statistics records and for the Department of Health to issue a certified copy of any such record or part thereof to law enforcement.

Your Committee received testimony in support of this measure from the Attorney General, the Department of the Prosecuting Attorney, County of Maui, City and County of Honolulu Police Department, and one individual.

Copies of written testimony are available for review on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 304 Health on S.B. No. 937**

The purpose of this measure is to clarify statutory provisions that govern the process and standards of decision making on applications for conditional release and discharge of forensic patients at the Hawaii State Hospital.

Specifically, this measure repeals sections 704-411(5) and (6), Hawaii Revised Statutes, which established hearing and application procedures for persons committed to the Hawaii State Hospital due to an acquittal based on the ground of physical or mental disease, disorder, or defect excluding responsibility. In addition, the measure includes a time frame of sixty days for decisions on motions for conditional release or discharge.

Your Committee received testimony in support of this measure from the Department of Health.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure will clarify that the provisions of section 704-412, Hawaii Revised Statutes, govern the timing and standards of decision for applications for conditional release or discharge from the custody of the Director of Health. Thus, the measure removes the possibility of a two-step process to apply for conditional release or discharge and any confusion regarding the standard for conditional release or discharge.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 937 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 305 Health on S.B. No. 936**

The purpose of this measure is to repeal the requirement for a sanitation certificate to be issued for county business licenses for the operation of a lodging or tenement house, group home, group residence, group living arrangement, hotel, or boarding house.

Your Committee received testimony in support of this measure from the Department of Health.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the City and County of Honolulu no longer requires business licenses for these facilities because of Act 35, Session Laws of Hawaii 2001, so the sanitation certificate is unnecessary for Oahu. Your Committee further finds that the counties of Kauai, Maui, and Hawaii never required a sanitation certificate for these types of businesses.

According to testimony submitted by the Department of Health, the Department will continue to conduct inspections for licensed care homes and other domiciliary facilities that it regulates under different laws.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 936 and recommends that it pass Second Reading and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 306 Health on S.B. No. 1217**

The purpose of this measure is to allow an advanced practice registered nurse who provides care to a patient requesting medical certification forms, the authority to sign certifications applicable to the care provided within the advanced practice registered nurse's scope of practice.

Testimony in support of this measure was submitted by the Board of Nursing, University of Hawaii School of Nursing and Dental Hygiene, Kaiser Permanente, the Hawaii Primary Care Association, and the Hawaii Government Employees Association. Comments on this measure were submitted by the Hawaii Association of Professional Nurses. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that authorizing advanced practice registered nurses to sign certain forms which are appropriate and within the parameters of their practice will reduce costs and patient hardships due to delays in starts of services, and will help advanced practice registered nurses to provide timely care and support to their patients.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1217 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 307 Health on S.B. No. 427**

The purpose of this measure is to support the continued availability and strength of the TriCare program by exempting from the general excise tax, amounts received by managed care support coordinators as reimbursements from the Department of Defense for advances made for the TriCare program.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association and TriWest Healthcare Alliance Inc. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will help to ensure that Hawaii Medical Service Association will be able to continue to provide medical insurance coverage to the approximately 150,000 current and former military personnel and their family members who reside in Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 308 (Majority) Health on S.B. No. 428**

The purpose of this measure is to ensure that individuals living in rural areas of the State have access to appropriate mental health care services.

The measure attempts to accomplish this purpose by authorizing appropriately trained and supervised licensed medical psychologists working in federally qualified health centers to prescribe psychotropic medications for the treatment of mental illness.

Your Committee received testimony in support of this measure from the American Psychological Association, Hawaii Medical Service Association, Hawaii Primary Care Association, Mental Health America of Hawaii, the National Association of Social Workers, Waianae Coast Comprehensive Health Center, Waimanalo Health Center, Kalihi-Palama Health Center, Na Pu'uwai Native Hawaiian Health Care System, Lanai Community Health Center, Molokai Community Health Center, Psychological Resources of Hawaii, and Koolauloa Community Health and Wellness Center.

Testimony in opposition to this measure was submitted by the American Psychiatric Association, Hawaii Medical Association, Hawaii Psychiatric Medical Association, and Psychologists Opposed to Prescription Privileges for Psychologists.

Comments on this measure were submitted by the Department of Human Services, Hawaii Medical Board, and Board of Psychology.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that allowing appropriately licensed and trained psychologists to prescribe psychotropic medications will address the urgent need for timely, appropriate, and cost-effective mental health and pharmacological services for an underserved population. Your Committee finds that the federally qualified health centers are most in need of psychologists with prescriptive authority and would achieve the largest impact for individuals in need of these services.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 428 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (Nishihara, Hemmings). Excused, 1 (Espero).

**SCRep. 309 Health on S.B. No. 930**

The purpose of this measure is to provide immunity from liability and coverage of medical expenses for licensed medical personnel providing volunteer services on behalf of the State or a county in non-emergency situations, such as school-based immunization clinics.

Your Committee received testimony in support of this measure from the Department of Health, the University of Hawaii John A. Burns School of Medicine, and two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will encourage valuable medical personnel to participate as volunteers on behalf of the State or a county. Your Committee further finds that this measure is consistent with Good Samaritan practices in other jurisdictions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 930 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.



**SCRep. 310 (Majority) Health on S.B. No. 1076**

The purpose of this measure is to enable the residents of the County of Hawaii to have a greater say in developing a comprehensive health plan for the county by establishing a temporary Hawaii county health initiative task force that is to develop a comprehensive strategic health plan and expedite the approval of new acute care facilities and medical or emergency services for the county.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association and one individual. Your Committee received testimony in opposition to this measure from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to the viability of a successful health care delivery system in the County of Hawaii. Your Committee further finds that the temporary Hawaii county health initiative task force should consist of appointed individuals that are currently working on the development of a comprehensive health plan for the county.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1076 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Hemmings). Excused, none.

**SCRep. 311 (Majority) Energy and Environment on S.B. No. 242**

The purpose of this measure is to include within the definition of "qualified business" any business engaged in producing air conditioning from a seawater air conditioning district cooling system for purposes of the State enterprise zone tax incentives.

Testimony in support of this measure was submitted by four private organizations. Testimony in opposition to this measure was submitted by one state department and one private organization. Comments were submitted by one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the proposed downtown Honolulu seawater air conditioning district cooling system will create a significant amount of long-term, gainful employment, as well as reduce electricity and potable water use in the downtown Honolulu area. Your Committee finds that this measure will help make the project more affordable for potential customers.

Your Committee has amended this measure by making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 242, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 2 (English, Hemmings). Excused, 2 (Green, Ihara).

**SCRep. 312 Education and Housing on S.B. No. 188**

The purpose of this measure is to:

- (1) Require an unspecified percentage of general excise taxes collected on real property leases to be deposited into the rental housing trust fund; and
- (2) Increase from thirty to fifty per cent the amount of the conveyance tax to be deposited into the rental housing trust fund.

Testimony in support of this measure was submitted by two state agencies, one county agency, five private organizations and two individuals. Comments were submitted by one state agency and two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committee has heard and approved a wide range of proposed initiatives related to the use of conveyance tax revenue, and encourages further legislative discussions on the proposals in this measure.

Your Committee has amended this measure by requiring an unspecified percentage of the conveyance tax to be paid into the Hawaiian home lands trust fund established pursuant to section 213.6, Hawaiian Homes Commission Act of 1920, as amended.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 313 Education and Housing on S.B. No. 736**

The purpose of this measure is to provide incentives for the development of affordable housing.

Specifically, the measure amends section 46-14.5, Hawaii Revised Statutes, by requiring the counties to provide affordable housing incentives such as density bonuses, height waivers, cluster zoning, reduction of parking requirements, design and site flexibility, waiver of certain fees, and other county development requirements.

Testimony in support of this measure was submitted by two state agencies and four private organizations. Testimony in opposition was submitted by three private organizations. Comments were submitted by two county agencies and one private organization. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committee is concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committee further finds that the City and County of Honolulu's mass transit project offers exceptional opportunities for the development of affordable housing. Your Committee has heard and approved a wide range of proposed affordable housing initiatives in transit oriented developments and encourage further legislative discussions on the proposal in this measure.

Your Committee has amended this measure by:

- (1) Deleting both procurement exemptions and waiving state wage requirements from county incentives;
- (2) Restricting county incentives to affordable housing in transit oriented developments;
- (3) Adding a definition of "transit oriented development";
- (4) Authorizing the counties to consult with the Commission on Transit Oriented Development, proposed to be established pursuant to section 6 of S.B. No. 442, in the Commission's advisory capacity to the legislative bodies of the counties and county agencies for carrying out a continuing, comprehensive, transit oriented development planning process;
- (5) Adding a severability clause to ensure that the provisions of this measure will not be adversely affected if S.B. No. 442 is not enacted; and
- (6) Adding a provision for the Revisor of Statutes to reference the appropriate section of the Hawaii Revised Statutes that corresponds to the codified provisions of S.B. No. 442, if enacted.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 736, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 736, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Galuteria).

**SCRep. 314 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 735**

The purpose of this measure is to require the counties to identify and designate affordable housing receiving zones to facilitate the development of affordable housing.

Testimony in support of this measure was submitted by two state agencies and three private organizations. Testimony in opposition was submitted by one county agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committees are concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committees further find that the City and County of Honolulu's mass transit project offers exceptional opportunities for the development of affordable housing. Your Committees have heard and approved a wide range of proposed affordable housing initiatives in transit oriented development and encourage further legislative discussions on the proposal in this measure.

Your Committees have amended this measure by:

- (1) Adding references to transit oriented development throughout;
- (2) Added definitions for "commission on transit oriented development", proposed to be established pursuant to section 6 of S.B. No. 442, and "transit oriented development";
- (3) Requiring that in the designation of affordable housing receiving zones, priority shall be given to areas within proximity to new or existing transit facilities;
- (4) Deleting both procurement exemptions and waiver state wage requirement from local incentives, waivers, and regulatory flexibility;
- (5) Adding a provision for the Revisor of Statutes to reference the appropriate section of the Hawaii Revised Statutes that corresponds to the codified provisions of S.B. No. 442, if enacted; and
- (6) Making technical amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose

of S.B. No. 735, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 735, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Galuteria, Nishihara).

**SCRep. 315 (Majority) Education and Housing on S.B. No. 1346**

The purpose of this measure is to:

- (1) Increase the four per cent general excise tax to an unspecified amount, with a portion of the increased revenues allocated for public education;
- (2) Offset the effects of the tax increase by establishing a general excise tax exemption for food; medical expenses, including nonprescription medications, prescription eyewear, and physician and dental services; and a portion of rental income;
- (3) Establish a tax credit for individuals who volunteer their services at public schools and an earned income tax credit;
- (4) Increase the state standard deduction amounts; and
- (5) Establish an education funding commission to provide oversight for general excise tax revenues deposited into the newly created education special fund.

Testimony in support of this measure was submitted by two state agencies and one private organization. One state agency submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that difficult economic times demand consideration of a varied array of fiscal measures. While the federal economic stimulus legislation will provide some relief, much more needs to be done at the state level. Your Committee further finds that an increase of the general excise tax, partnered with tax relief for low- and middle-income families, offers a long-term alternative to cutting vital education funding that has already been declared inadequate by approximately \$2,000 per student in a study conducted by an independent consultant.

The Department of Taxation has reported to your Committee that raising the general excise tax by one per cent increases revenue by \$600,000,000. Your Committee believes that an increase in the general excise tax, when combined with the following tax relief, will address the regressive nature of the present tax structure:

- (1) Exempting all non-prepared food purchases: \$135,000,000 savings to taxpayers;
- (2) Exempting physician services, dental services, glasses, and non-prescription drugs: \$126,000,000 savings to taxpayers;
- (3) Exempting the first \$800 of monthly rent: \$83,600,000 savings to taxpayers; and
- (4) Doubling the standard deduction: \$37,500,000 savings to taxpayers.

Your Committee finds that these measures would provide over \$380,000,000 in tax relief to Hawaii's families, especially to those with less than \$100,000 in income per year:

- (1) A family of four with an adjusted gross income of \$40,000 per year would have \$1,482 in tax savings;
- (2) An individual with an adjusted gross income of \$80,000 per year would have \$524 in tax savings; and
- (3) A family of four with an adjusted gross income of \$250,000 per year would have an additional tax burden of \$621.

Based on this information, your Committee finds that this proposal would provide a much needed source of funding for education while simultaneously addressing Hawaii's regressive tax structure. Your Committee notes the Department of Taxation's support of general excise tax exemptions for food, and medical and dental services, in order to address the regressive nature of the general excise tax. Your Committee also notes the Department's strong support of increasing the standard deduction to reflect more accurately the cost of living in Hawaii. Your Committee has heard and approved a wide range of proposed education funding initiatives and encourages further legislative discussions on the proposals in this measure.

Your Committee has amended this measure by:

- (1) Deleting the earned income tax credit;
- (2) Amending the effective date to July 1, 2045, for the purpose of encouraging further discussion; and
- (3) Making technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1346, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 316 Education and Housing on S.B. No. 496**

The purpose of this measure is to clarify the functions, duties, and roles of the Charter School Review Panel in the administration and operation of charter schools, and to improve fiscal and budgetary accountability.

Specifically, this measure:

- (1) Requires a charter school board to comply with Board of Education policies and Department of Education directives, and requires the Charter School Review Panel to determine the probation period for deficiencies related to compliance;
- (2) Clarifies that the Charter School Review Panel is subject to the requirements of the sunshine law;
- (3) Authorizes the Board of Education to remove a Charter School Review Panel member for cause;
- (4) Requires the Charter School Review Panel to:
  - (A) Approve the charter schools budget;
  - (B) Submit a capital improvement projects budget for charter school facilities to the department of budget and finance; and
  - (C) Approve recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs;
- (5) Requires the Board of Education member on the Charter School Review Panel to be recused from considering appeals of the Panel's decisions;
- (6) Specifies the duties of the Executive Director of the Charter School Administrative Office with regard to the preparation of the budget;
- (7) Requires the Charter School Administrative Office to be represented by an assigned deputy attorney general, separate from counsel for the Board of Education;
- (8) Changes the requirements for the per-pupil funding and excludes fringe benefits, debt service, and federal funding from the per-pupil appropriation to charter schools;
- (9) Changes the amount the Department of Education may retain from charter schools federal funds for administrative costs from up to 6.5 per cent to five per cent; and
- (10) Requires the Charter School Review Panel to evaluate a charter school on its fourth anniversary and every five years after.

Testimony in support of this measure was submitted by one private organization and one individual. Testimony in opposition was submitted by one state agency and one charter school. Comments were submitted by two state agencies, one private organization, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has heard a number of concerns regarding the provisions in this measure. Your Committee understands that for some members of the charter school community, any change is suspect and open to differing interpretations. Your Committee is very supportive of charter schools and what they accomplish – academically and otherwise – under often difficult circumstances.

Your Committee wishes to emphasize that this measure is very much a “work in progress” and urges the stakeholders to continue to work together to refine this measure as it moves through the legislative process.

Your Committee has amended this measure by:

- (1) Requiring a charter school board to comply with Board of Education policies and Department of Education directives regarding special education and federal programs;
- (2) Deleting the requirement that the Board of Education member on the Charter School Review Panel be recused from considering appeals of the Panel's decisions;
- (3) Requiring the charter schools budget to list current and projected enrollment figures separately and requiring the Department's debt service as a calculation of per pupil funding;
- (4) Requiring seventy per cent of the amount requested to be allocated to start-up charter schools on a per-pupil basis;
- (5) Deleting the requirement that the Charter School Administrative Office to be represented by an assigned deputy attorney general, separate from counsel for the Board of Education;
- (6) Deleting the requirement that the Charter School Review Panel determine the probation period for deficiencies related to compliance with Board of Education policies and Department of Education directives;
- (7) Amending the purpose section to reflect these changes; and
- (8) Amending the effective date to July 1, 2045, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 496, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 496, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 317 (Majority) Education and Housing on S.B. No. 733**

The purpose of this measure is to clarify the sections of law pertaining to school impact fees to facilitate the provision of land and collection of fees for public schools.

Specifically, this measure:

- (1) Inserts the formula that calculates the amount of land developers must provide to the State for new schools, as the current law does not contain a formula and as a result, it is unclear how the calculation is made;

- (2) Eliminates language that allowed the transfer of a housing developer's excess credit to any other location in the State, pursuant to the United States Supreme Court and similar laws in other states, that the legal test of a legitimate impact fee requires fees or credits be used in the location where they are collected;
- (3) Consolidates all requirements to update data used in the analysis and calculation of school impact fees, including actual school size and cost information, construction cost increases, and updated estimates of the amount of revenue generated by each new dwelling unit; and
- (4) Clarifies language and makes terms consistent throughout the measure, reorders procedures to reflect the order in which they occur in practice, and gathers all definitions of terms in one section.

Testimony in support of this measure was submitted by one state agency. Testimony in opposition was submitted by one state agency and four private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 245, Session Laws of 2007, which established school impact fees, was the result of a two-year School Impact Fee Working Group established by the 2005 Legislature. The initial draft of Act 245 was part of the Working Group's report entitled *Hawai'i School Impact Fee Working Group Report*, prepared by consultants Duncan and Associates and Group 70 International, Inc., in March 2007. The draft legislation was then amended during the 2007 session before it was approved.

Your Committee further finds that implementation of Act 245 has shown that amendments in this measure would lead to greater efficiency and clarity for both developers and the Department of Education in meeting the requirements of the law.

Your Committee has heard a number of concerns raised regarding the proposed amendments in this measure. Your Committee understands that the interested stakeholders have had a number of discussions regarding the measure, but that consensus has not been reached. Your Committee urges the stakeholders to continue their discussions as the measure advances through the legislative process.

To this end, your Committee has amended this measure by:

- (1) Making technical amendments for the purposes of clarity and consistency; and
- (2) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 733, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 733, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 318      Transportation, International and Intergovernmental Affairs on S.B. No. 150**

The purpose of this measure is to require the Department of Transportation to determine the need, projected costs; and possible economic and non-economic benefits, of constructing noise barriers along the H-1 freeway to mitigate the negative impact of highway noise in residential areas along the freeway and to abate longstanding noise problems for adjacent buildings and communities.

Your Committee received testimony in opposition of this measure from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has amended this measure by deleting its contents and inserting the highway capital improvement project appropriations from Senate Bill No. 1611, S.D. 1, and changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 150, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 319      (Majority) Transportation, International and Intergovernmental Affairs on S.B. No. 1064**

The purpose of this measure is to prohibit the sale of any new tire that was manufactured six years prior to the date of the sale of the tire.

This measure applies to sales by any:

- (1) Business selling tires, whether selling tires exclusively or with other merchandise;
- (2) New or used motor vehicle dealer; or
- (3) Gasoline dealer, dealer retail station, or independent retail station, as defined by law.

A fine of not more than \$1,000 for each tire sold in violation of this measure is provided.

Your Committee received testimony in support of this measure from two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

News reports indicate that tires from four to fourteen years old were being sold by retailers and tire stores, which prompted the National Highway Traffic Safety Administration to issue a consumer advisory warning in 2008 to warn motorists that out-of-date tires, seemingly new, can lead to catastrophic failure.

Your Committee finds that Hawaii's roads and highways, with frequent stop and go traffic and hot asphalt or concrete, are particularly harsh on tire wear and tear. The imposition of a tire expiration date will prevent the sale of out-of-date tires, thus promoting motor vehicle safety on Hawaii roads and highways statewide.

Your Committee has amended this measure by changing the penalty for a violation to \$100.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1064, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1064, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 320      Transportation, International and Intergovernmental Affairs on S.B. No. 300**

The purpose of this measure is to require:

- (1) The holder of a Class 5 liquor dispenser license to carry liability insurance as a condition of acquiring and renewing a license; and
- (2) Liquor liability insurers to notify the county liquor commissions upon a termination, rejection, or nonrenewal of a licensee's coverage.

Your Committee received testimony in support of this measure from TS Restaurants. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that liquor licensees have a high exposure to potential lawsuits for personal injuries for the serving of liquor to patrons who may excessively imbibe and then cause an accident to a third party. The provision of general liability insurance would mitigate such exposure.

Your Committee notes the testimony to the effect that the cost of liquor liability insurance may be prohibitive for many smaller establishments. Your Committee defers to the Committee on Commerce and Consumer Protection to address this issue.

Your Committee has amended this measure by changing the article and part of the Insurance Code in which the new law is to be situated and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 300, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 321      Transportation, International and Intergovernmental Affairs on S.B. No. 1224**

The purpose of this measure is to require the Governor or the Director of Transportation, if directed by the Governor, to adjust and modify existing airport concession leases and contracts under specified conditions and terms.

Your Committee received testimony in support of this measure from the Airport Concessionaires Committee; Island Shoppers, Inc.; Human Services Host Corporation; Airlines Committee of Hawaii; and International Currency Exchange. Testimony in opposition was received from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that airport concessionaires have been suffering an economic downturn that began with the September 11, 2001 event. More recently, the State's economic straits are reflected in the profits of the concessionaires. Testimony indicated that one major concessionaire has invested \$3 million in capital improvements and suffered a twenty-five per cent drop off in business.

Your Committee notes that a measure with a similar purpose, Act 201, Session Laws of Hawaii 2004, was enacted in 2004. However, Act 121 was allowed to sunset a year later on July 1, 2005.

Your Committee has amended this measure by deleting its contents and inserting provisions to require the Department of Transportation, beginning July 1, 2009 and periodically thereafter, to review each concession contract for the possibility of adjusting the rent to a reasonable amount, affordable to the concession, taking into consideration specified factors. Your Committee has also inserted a sunset date of July 1, 2014.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1224, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 322 (Joint/Majority) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 2**

The purpose of this measure is to ban consumer fireworks, except for religious and cultural purposes and also to require each county to adopt an ordinance to regulate the sale of consumer fireworks for religious or cultural purposes.

Testimony in support of this measure was submitted by three state agencies, one private organization, and thirty-one individuals. Testimony in opposition of this measure was submitted by two private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that banning the sale and use of consumer fireworks for purposes other than religious or cultural in counties with a population over 600,000 will likely prevent health-related problems, injuries, property damage, air and noise pollution, and even deaths throughout each year. Your Committees also find that during holiday celebrations, such as the Fourth of July and New Year's Eve, the State's emergency services, such as the police and fire departments, and medical services will be relieved of calls to respond to and treat circumstances relating to the use of consumer fireworks. Your Committees further find that the ban on the sale and use of consumer fireworks may be limited so that it is not contrary to any other law, such as the First Amendment right to freedom of religion in the United States Constitution.

Your Committees have amended this measure by:

- (1) Clarifying for counties with a population over 600,000 that the use of consumer fireworks is banned, notwithstanding any law to contrary, except for use by permit for religious or cultural purposes during a specified time period;
- (2) Clarifying for counties with a population of 600,000 or less that consumer fireworks:
  - (A) May only be used during specified hours on New Year's Eve, Chinese New Year's Day, and the Fourth of July, and for religious or cultural purposes; and
  - (B) May not be sold after 12:01 a.m. on New Year's Day, 6:00 p.m. on Chinese New Year's Day, and 8:00 p.m. on the Fourth of July;
- (3) Clarifying for all counties that consumer fireworks may be lawfully purchased no more than five calendar days before the permitted time period of use; and
- (4) Changing the effective date to July 1, 2050, to promote further discussion on this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Ayes with Reservations, 1 (English). Noes, 1 (Slom). Excused, 1 (Hemmings).

**SCRep. 323 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 495**

The purpose of this measure is to appropriate funds for capital improvement projects to repair and maintain irrigation systems within the State.

Testimony in support of this measure was submitted by two members of the Maui County Council, twelve organizations, and five public citizens. Three state agencies submitted comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that a reliable irrigation system is the lifeblood of Hawai'i's agricultural industry. To ensure that Hawai'i's farmers receive a steady and dependable supply of water to grow their crops, sufficient funding is needed to maintain and improve Hawai'i's agricultural irrigation systems.

Your Committee further finds that this contribution to the State's agricultural infrastructure will:

- (1) Act as a needed economic stimulus for the State's economy;
- (2) Create a dynamic impact of water availability enabling increased agricultural production; and
- (3) Benefit the State through increased tax revenue.

The total amount for these capital improvement projects approximates \$16,000,000.

Your Committee has amended this measure by providing additional information for the purpose section.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 495, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 324 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs and Economic Development and Technology on S.B. No. 68**

The purpose of this measure is to add regulatory functions over the commercial use of state waters and marine resources to the Department of Land and Natural Resources.

Testimony in support of this measure was submitted by one state agency and five public citizens. Testimony in opposition was submitted by one state agency, two organizations, and two public citizens. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that a loophole exists in which a business that otherwise would be required to have a permit can now conduct its commercial activity in state waters without a permit simply by departing from a private marina. This measure will extend the Department of Land and Natural Resources authority to the regulation of currently unregulated commercial enterprises that originate from private marinas. Your Committees note that it is not the intent of this measure to provide for additional regulation of existing regulated commercial enterprises.

Your Committees have amended this measure by amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 68, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 68, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 2 (Hemmings, Slom). Excused, 2 (Bunda, Ige).

**SCRep. 325 Health on S.B. No. 1610**

The purpose of this measure is to clearly define the role of physician assistants regarding medical orders issued to a registered nurse by clarifying that:

- (1) Physician assistants may act as agents of a supervising physician when issuing a medical order; and
- (2) A medical order issued by a physician assistant to a registered nurse is a specific direction from the supervising physician.

Your Committee received testimony in support of this measure from Hawaii Medical Service Association, the Board of Nursing, Puna Community Medical Center, and five individuals. The Hawaii Academy of Physician Assistants submitted testimony in support of the measure with amendments. Comments on this measure were received from Kaiser Permanente and the Hawaii Medical Board.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that physician assistants serve a vital role in the health care community. Clearly authorizing physician assistants to issue medical orders to be executed by nursing personnel will help to clear any ambiguities in the current statutes and ensure safe patient care in the hospital setting. The measure does not relieve physician assistants or registered nurses from exercising due care in performing within their respective scope of practice.

Your Committee has amended this measure by adopting the recommendations of the Hawaii Academy of Physician Assistants by:

- (1) Removing the requirement that the supervising physician must affirmatively authorize the physician assistant to issue a medical order;
- (2) Removing the requirement that a supervising physician must personally review patient records within seven days of the issuance of a medical order by a physician assistant;
- (3) Requiring the supervising physician to conduct record review in compliance with section 16-85-49, Hawaii Administrative Rules; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1610, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 326 (Joint/Majority) Health and Transportation, International and Intergovernmental Affairs on S.B. No. 56**

The purpose of this measure is to encourage bars, businesses, nightclubs, and restaurants to comply with the smoking prohibition that was passed by the Legislature in 2006 by:

- (1) Increasing penalties for violations;
- (2) Making compliance a condition of liquor license renewal; and
- (3) Providing shared jurisdiction of enforcement to the Department of Health and the liquor commissions of each county.



Your Committees received testimony in support of this measure from the American Cancer Society, the American Lung Association, and the Coalition for a Tobacco-Free Hawaii. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Liquor Commission, the Hawaii Bar Owner's Association, and three individuals.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that slow enforcement of the smoking prohibition has resulted in continued employee exposure to second-hand smoke and an unequal impact on local businesses.

Your Committees further find that the increase in fines proposed in this measure is a valid source of revenue to pay for the costs of enforcement. In addition to the fee increase, your Committees would encourage the Department of Health to identify funds that will ensure that the Department and the respective liquor commissions are able to appropriately implement enforcement of the smoking prohibition.

Your Committees have amended this measure by changing the effective date to July 1, 2050 to encourage further discussion on this matter.

As affirmed by the records of votes of the members of your Committees on Health and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 56, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 56, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Green). Excused, 3 (Gabbard, Hemmings, Slom).

**SCRep. 327 Health on S.B. No. 1040**

The purpose of this measure is to protect public health by prohibiting smoking on public beaches, parks, and certain recreational areas during certain community events.

Testimony in support of this measure was submitted by the American Lung Association and the Coalition for a Tobacco-Free Hawaii. Testimony in opposition of this measure was submitted by two individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that prohibiting smoking during certain public community events will promote a healthier environment and allow children, families, and tourists to enjoy community events free of dangerous second-hand smoke.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1040, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 328 Health on S.B. No. 38**

The purpose of this measure is to protect public health by reducing youth consumption of tobacco products other than cigarettes, such as smokeless tobacco, snuff, and pipe tobacco.

Specifically, this measure includes smokeless tobacco and pipe tobacco to the definition of "tobacco products" and increases the excise tax on the wholesale price of tobacco products from forty per cent to sixty per cent. The measure further allows for the taxes collected from tobacco products other than cigarettes to be deposited into the community health centers special fund.

Your Committee received testimony in support of this measure from the American Heart Association, American Cancer Society, American Lung Association, Coalition for Tobacco-Free Hawaii, Hawaii Primary Care Association, Tobacco-Free Big Island, Healthy Mothers Healthy Babies, and the Boys and Girls Club of the Big Island. Comments on this measure were submitted by the Department of Taxation and the Tax Foundation of Hawaii. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will protect public health by deterring youth consumption of tobacco products by increasing the tax on tobacco products, including smokeless tobacco and pipe tobacco, by twenty per cent.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 38, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 329 Health on S.B. No. 280**

The purpose of this measure is to help alleviate the nursing shortage in the State by removing the requirement that an unlicensed foreign nursing school graduate applying for a registered nurse license in Hawaii must have the nurses' educational credentials evaluated by a professional evaluator.

Testimony in support of this measure was submitted by Healthcare School of Hawaii, the Filipino American Citizens League, Oahu Filipino Community Council, Filipino Coalition for Solidarity, Congress of Visayan Organizations, and Nursing Advocates & Mentors, Inc. Testimony in opposition of this measure was submitted by the Board of Nursing, University of Hawaii System, University of Phoenix, and the Filipino Nurses Organization. Comments on this measure were submitted by the Philippine Nurses Association of Hawaii. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the State's requirement for uniform evaluation by the recognized authority on credential evaluations, the Commission on Graduates of Foreign Nursing Schools International, is connected to federal immigration laws that require all international health professionals, except physicians, to be certified by the Commission on Graduates of Foreign Nursing Schools International or another independent, government-certified organization qualified to issue credentials. Though your Committee is open to making the application process for foreign educated nurses less cumbersome, it believes that sufficient safeguards are necessary to ensure that foreign nursing school graduates are educationally qualified to apply for a registered nurse license in Hawaii.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 280, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 330 Health on S.B. No. 1262**

The purpose of this measure is to ensure that patients receive quality health care by requiring health care providers to notify patients or their representatives of any adverse events that result in serious harm or death to the patient within seventy-two hours of discovery of the adverse event, without the admission being admissible as evidence of liability.

Your Committee received testimony in support of this measure from the Hawaii Association of Justice. Your Committee received testimony in opposition to this measure from the Department of Health and The Queen's Medical Center.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that patients deserve full disclosure when mistakes are made in the course of receiving medical care. Ensuring full disclosure, with the disclosure notification excluded as evidence of liability, will improve patient safety procedures, reduce medical errors, and therefore reduce medical malpractice claims and insurance costs.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1262, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 331 (Joint) Health and Judiciary and Government Operations on S.B. No. 1137**

The purpose of this measure is to provide for public health and safety by enabling the Hawaii Health Systems Corporation to perform criminal history record checks on all persons employed or seeking employment, and current or prospective contractors, volunteers, and providers via the Hawaii Criminal Justice Data Center's Federal Bureau of Investigations checks.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation and one individual.

Copies of written testimony are available for review on the Legislature's website.

Your Committees find that, due to a shortage of health care workers, the Hawaii Health Systems Corporation has recruited heavily from out-of-state. Your Committees further find that in-state checks have been conducted since the creation of Hawaii Health Systems Corporation. This measure will enable in-state and out-of-state criminal record checks to be done in an efficient and effective manner by allowing access to the Federal Bureau of Investigations databank where criminal history records for all states can be retrieved.

Your Committees have amended this measure by deleting the appropriation provision and by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1137, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1137, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice Chair on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 2 (Baker, Hemmings).

**SCRep. 332 Health on S.B. No. 843**

The purpose of this measure is to allow a court to order a mental or medical examination as needed in order to obtain sufficient information to render an appropriate sentencing provision for a defendant.

Your Committee received testimony in support of this measure from the Attorney General, the State Judiciary, the City and County of Honolulu Department of the Prosecuting Attorney, the County of Maui Department of the Prosecuting Attorney, and The Mestizo Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure restores a necessary statutory provision allowing for pre-sentence mental or medical examinations of defendants. Your Committee further finds that this measure will help to ensure that defendants are sentenced appropriately.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 843, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 333 Health on S.B. No. 941**

The purpose of this measure is to ensure the highest level of health care for patients of Hawaii Health Systems Corporation by authorizing the Hawaii Health Systems Corporation to conduct Federal Bureau of Investigations criminal history record checks through the Hawaii Criminal Justice Data Center on employees, applicants, current or prospective contractors, providers, or volunteers.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation Corporate Board of Directors, Hawaii Health Systems Corporation Oahu Region, West Kauai Medical Center, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, due to a shortage of health care workers, the Hawaii Health Systems Corporation has recruited heavily from out-of-state. Your Committee further finds that in-state checks have been conducted since the creation of Hawaii Health Systems Corporation. This measure will enable in-state and out-of-state criminal record checks to be done in an efficient and effective manner by allowing access to the Federal Bureau of Investigations databank where criminal history records for all states can be retrieved.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 941, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 941, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 334 Health on S.B. No. 230**

The purpose of this measure is to enhance victim safety by notifying victims and surviving family members, who have submitted a written request, of specified information about a criminal defendant's fitness to proceed at trial, transfer to a state hospital or psychiatric facility, or unauthorized absence from a facility.

Your Committee received testimony in support of this measure from the Crime Victim Compensation Commission, the City and County of Honolulu Department of the Prosecuting Attorney, and the Hawaii State Coalition Against Domestic Violence. Your Committee received testimony in opposition to this measure from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that victims of crime have a legitimate interest in being notified of any proceeding regarding whether the offender may be released from custody. Your Committee further finds that the Department of Health has stated that expanding reporting requirements as required under this measure will implement significant policy changes in the area of forensic mental health and that a study should be conducted by legal and mental health stakeholders before policy changes are implemented.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 230, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 335 (Joint) Health and Economic Development and Technology on S.B. No. 436**

The purpose of this measure is to provide a tax incentive for life sciences companies to conduct clinical trials in Hawaii.

Your Committees received testimony in support of this measure from the American Cancer Society. Your Committees received comments on this measure from the Department of Taxation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure provides an income tax credit of fifteen per cent of qualified clinical trial costs concluded in counties of the State with a population greater than 700,000 residents. If the clinical trial costs are incurred in a county of the State with a population equal to or less than 700,000, the percentage of the tax credit would be increased to twenty per cent.

Your Committees find that life sciences companies that conduct clinical trials often create more and higher paying jobs that will help to keep our local graduates employed in the State. Your Committees further find that clinical trials play an invaluable part in the battle against cancer.

Your Committees have amended this measure by adopting recommendations submitted by the Department of Taxation by:

- (1) Replacing the Department of Taxation with the Department of Business, Economic Development, and Tourism for the pre-qualification registration and administrative provisions; and
- (2) Including a waiver for the research and development tax credits for any qualified clinical trial cost that has been financed by investments for which a credit was claimed under section 235-110.91, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 436, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 436, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 3 (Espero, Hee, Slom).

**SCRep. 336 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1205**

The purpose of this measure is to provide a safety net for individuals who have lost their employer based health care coverage by establishing a temporary health insurance program.

Your Committees received testimony in support of this measure from Hawaii Medical Service Association, the International Longshore and Warehouse Union- Local 42, and one individual. The Department of Health submitted testimony in support of the intent of this measure.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that by assisting those in need through the maintenance of health insurance, the economic impact of having a large population of medically uninsured persons will be lessened.

Your Committees have amended this measure by changing the appropriation provision to require that only monies received by the State and deposited into the state general fund pursuant to the federal American Recovery and Reinvestment Act of 2009 may be expended for the temporary health insurance program.

Your Committees have further amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1205, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1205, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Nishihara, Sakamoto).

**SCRep. 337 Health on S.B. No. 604**

The purpose of this measure is to ensure that victims of sexual assault are fully informed regarding treatment and emergency contraception.

The measure accomplishes this goal by requiring all hospitals and public facilities to provide victims of sexual assault with information on emergency contraception and immediate access to emergency contraception when requested.

Your Committee received testimony in support of this measure from Healthy Mothers Healthy Babies, the National Association of Social Workers, Hawaii Women's Political Caucus, The Sex Abuse Treatment Center, the American Civil Liberties Union of Hawaii, Planned Parenthood of Hawaii, and five individuals. Your Committee received testimony in opposition to this measure from the Department of Health, Pro-Family Hawaii, Hawaii Family Forum and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that information on emergency contraception is an important part of treatment and counseling for victims of sexual assault. Allowing these victims to be fully informed of all medical options and treatments available to them will provide a level of protection for women, help to prevent unintended pregnancies, and provide sexual assault survivors with information that may prevent a further trauma of pregnancy.

Your Committee finds that the use of emergency contraception is approved by the federal Food and Drug Administration and is a safe and effective means of treating victims of sexual assault.

In addition, your Committee finds that emergency contraception is consistent with the Ethical and Religious Directives published by the United States Conference of Catholic Bishops. More than thirty-four Catholic Hospitals in the United States are currently offering emergency contraception information and treatment to sexual assault victims.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 604, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Espero).

**SCRep. 338 Health on S.B. No. 1676**

The purpose of this measure is to increase access to health care for rural residents of the State by supporting the expanded use of technology for telemedicine services.

The measure accomplishes this purpose by clarifying:

- (1) That telemedicine is in a physician's scope of practice and is authorized in Hawaii when practiced by a licensed physician providing services to patients; and
- (2) Current laws regarding telehealth to ensure compliance with changes made to the law regulating the practice of medicine.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, The Chamber of Commerce of Hawaii, and one individual. Comments were received on this measure by the Hawaii Medical Board and the Hawaii Medical Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will enhance the Legislature's efforts to expand broadband capability as well as provide a cost-effective means to improve access to health care services, particularly in rural areas of the State.

Your Committee has amended this measure by clarifying that the applicable standards of medical practice when treatment recommendations are made via telemedicine, including issuing a prescription via electronic means, are the same standards of appropriate practice as those in traditional physician-patient settings that do not include a face to face visit but in which prescribing is appropriate, including on-call telephone encounters and encounters for which a follow-up visit is arranged.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1676, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Green). Noes, none. Excused, 1 (Nishihara).

**SCRep. 339 (Joint) Health and Public Safety and Military Affairs on S.B. No. 418**

The purpose of this measure is to protect the health and well being of individuals participating in the State's medical marijuana program by:

- (1) Transferring the administration of the State's program for the medical use of marijuana from the Department of Public Safety to the Department of Health;
- (2) Amending the medical use of marijuana law to replace the term, "marijuana" with "cannabis";
- (3) Authorizing a registration fee not to exceed \$50; and
- (4) Establishing the medical cannabis advisory board to identify requirements for the licensure of producers and cannabis production facilities and set forth procedures to obtain licenses and develop a distribution system for medical cannabis.

Testimony in support of this measure was submitted by the League of Women Voters of Hawaii, The Drug Policy Forum, and the Hope for a Cure Foundation of West Oahu. The Drug Policy Action Group submitted testimony to your Committees in support with amendments. Testimony in opposition of this measure was submitted by the Department of Health, the Department of Public Safety, the Department of the Prosecuting Attorney, County of Maui, the City and County of Honolulu Police Department, and the County of Maui Police Department. Comments on this measure were submitted by the American Civil Liberties Union of Hawaii. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the State's medical marijuana program, enacted into law in 2000, is a public health program conceived out of concern for the health and welfare of the seriously ill. Since its inception, concerns have been raised over the proper administration of the program. Patients have stated apprehension in registering with the Narcotics Enforcement Agency, particularly in light of a breach in security that occurred in 2008, releasing the database of 4,200 patient names and information to the Hawaii Tribune-Herald newspaper.

Your Committees further find that safe distribution of medical cannabis to patients participating in the program is crucial. Your Committees find that a task force should be established to develop a distribution plan and research laws in other states, such as New Mexico, that have implemented successful medical cannabis distribution programs.

Your Committees have amended this measure by:

- (1) Removing the advisory board;
- (2) Establishing a medical cannabis task force to develop a distribution plan and make recommendations to the Legislature on the implementation of the program; and

- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 418, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 418, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 340 Public Safety and Military Affairs on S.B. No. 969**

The purpose of this measure is to permit a conditional search of any person or vehicle entering upon the grounds of a correctional or detention facility.

Testimony in support of this measure was submitted by one state agency. Testimony in opposition of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is in the best interest of public safety that any person or vehicle entering upon the grounds of a correctional or detention facility be subject to a conditional search. Your Committee also finds that currently the correctional staff of the Department of Public Safety do not have the authority to search any person or vehicle for contraband. This measure provides the correctional staff with the authority to request a conditional search of a person or a vehicle when the correctional staff has reasonable suspicion of a person possessing or a vehicle containing a weapon or contraband.

Your Committee has amended this measure by:

- (1) Clarifying that the correctional staff shall give the person notice and an opportunity to decline a conditional search prior to searching a person or their vehicle;
- (2) Adding that the correctional staff shall have probable cause of contraband on a person prior to requiring a strip search of that person;
- (3) Changing the effective date to July 1, 2050 to provide further discussion on this measure; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 969, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 341 Public Safety and Military Affairs on S.B. No. 1058**

The purpose of this measure is to require the Attorney General, with the assistance of various public and private entities, to coordinate a review of the impact of diverting marijuana and low-level felony drug offenders to treatment centers rather than incarceration in the criminal justice system.

Testimony in support of this measure was submitted by one state agency, four private organizations, and three individuals. Testimony in opposition of this measure was submitted by one state agency. Comments on this measure were submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that diverting marijuana and low-level felony drug offenders to treatment centers rather than incarceration relieves the criminal justice system from overcrowding of inmates and reduces costs to the State for incarcerating those drug offenders. Your Committee also finds that an unbiased report on the costs and benefits of a low-level drug offender diversion program is warranted under the current economy in an effort to make fiscally-sound policy decisions.

Your Committee has amended this measure by adding the following list of representatives to the group that the Attorney General may call upon for assistance in conducting the required review:

- (1) A representative of the Office of the Public Defender;
- (2) A representative of the American Civil Liberties Union of Hawaii;
- (3) A representative of a community advocacy group with at least fifteen years of experience, research, and statistical data to provide to the Attorney General; and
- (4) A criminologist or researcher that can analyze the most current statistical data.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1058, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 342 (Majority) Labor on S.B. No. 687**

The purpose of this measure is to require contractors and subcontractors for certain public works construction contracts of \$100,000 or more and subcontracts of \$25,000 or more, to comply with certain requirements for the entire duration of their contracts, and to certify compliance with the requirements.

Testimony in support of this measure was submitted by six organizations and one individual. Testimony in opposition to this measure was submitted by one state agency, three organizations, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee anticipates an imminent boom of economic stimulus, construction projects. During this time, out-of-state contractors or contractors of unfamiliar backgrounds, experience, and performance may gain an unfair advantage by violating state laws to win bids.

Your Committee finds that this measure is necessary to encourage compliance and mandate contractors to show proof of and maintain compliance for the entire duration of their contracts.

Your Committee further finds that this measure imposes sanctions on contractors or subcontractors who fail to comply with the proposed requirements, as necessary deterrents to potential violators.

Your Committee notes the concern that this measure may significantly limit the number and types of contractors who could bid on public works contracts and has accordingly amended this measure as follows:

- (1) By increasing the general contract amount and the subcontract amount for which this measure applies from \$100,000 to \$250,000 and from \$25,000 to \$50,000, respectively;
- (2) By removing the provisions requiring medical and workers' compensation insurance as prerequisites for the award of contracts, as these requirements are already established under existing law;
- (3) By amending the effective date to July 1, 2050 for the purpose of encouraging further discussion; and
- (4) By making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 687, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 343 (Majority) Labor on S.B. No. 1125**

The purpose of this measure is to require an offeror for certain construction contracts subject to the state public procurement code, to be a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations at the time of general bidding.

Testimony in support of this measure was submitted by three organizations. Testimony in opposition to this measure was submitted by one state agency, one organization, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee anticipates an imminent rush of construction projects to take advantage of federal economic stimulus monies. Your Committee finds that during the construction boom, there will be a need for construction workers who have been thoroughly trained in job safety and in their respective trades.

Your Committee finds that apprenticeship programs:

- (1) May provide well-trained workers for the anticipated construction projects;
- (2) May help prevent industrial accidents, prevent injuries, and produce high-quality work products; and
- (3) Potentially lower labor costs for construction.

Your Committee notes the concern that this measure may significantly limit the number and types of contractors who could bid on public works contracts, and that this measure makes no exception for certain projects that do not require apprentices, such as sole source procurements. Your Committee also notes that this measure allows noncompliance by even one subcontractor to potentially stop work on an entire project.

Your Committee additionally notes the concern that the meaning of the term "bona fide, state-approved apprenticeship program" is unclear and may be inconsistent with the language used in chapter 372, Hawaii Revised Statutes.

Your Committee has accordingly amended this measure by:

- (1) Increasing the estimated total value of contracts for which this measure applies from \$100,000 to \$250,000;
- (2) Excluding sole source procurements under section 103D-306, Hawaii Revised Statutes, from the requirements of this measure;
- (3) Limiting the requirements of this measure to offerors for certain construction contracts and excluding references to subcontractors;
- (4) Eliminating the duration of previous participation in an apprenticeship program as a determining factor of whether an offeror conforms to the standards for apprenticeship agreements; and

- (5) Conforming references to apprenticeship programs to the language in chapter 372, Hawaii Revised Statutes, relating to apprenticeship.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1125, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1125, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 344            Tourism on S.B. No. 1227**

The purpose of this measure is to establish a Department of Tourism.

Specifically, this measure:

- (1) Abolishes the Hawaii Tourism Authority;
- (2) Transfers the convention center enterprise special fund, the tourism emergency trust fund, and the tourism special fund from the Hawaii Tourism Authority to the newly established Department of Tourism; and
- (3) Renames the Department of Business, Economic Development, and Tourism to the Department of Business and Economic Development.

Your Committee received testimony in support of this measure from the Mayor of the City and County of Honolulu. Testimony in opposition was received from the Hawai'i Tourism Authority; Outrigger Hotels; and Hawai'i Hotel & Lodging Association. Comments were received from the Tourism Liaison. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides the proposed Department of Tourism with the general charge, oversight, and care of tourism and related activities of the State. The Department would support, maintain, and expand the State's domestic and international travel market, endeavoring to generate increased expenditure, tax revenue, and employment derived from the tourism industry.

Your Committee finds that tourism is one of the primary economic engines of the State. As such, tourism is deserving of a dedicated executive department. Testimony indicates that the Conference of Mayors has lobbied the United States Congress to establish a cabinet-level Secretary of Tourism. Tourism is a leading industry in cities and states across the nation, and the country's mayors agree it merits the prominence of cabinet status.

Your Committee has amended this measure by:

- (1) Deleting section 9 which ceased all contractual obligations entered into by the Hawaii Tourism Authority;
- (2) Transferring contracts held by the Hawaii Tourism Authority to the Department of Tourism;
- (3) Establishing an interagency working group, to be convened by the Governor, to develop comprehensive plans to aid in the transfer of rights, powers, functions, duties, and resources from the Hawaii Tourism Authority to the Department of Tourism;
- (4) Providing that the interagency working group be comprised of three members appointed by the President of the Senate, three members appointed by the Speaker of the House of Representatives, three members appointed by the Governor, the Attorney General, and the Executive Director of the Hawaii Tourism Authority;
- (5) Providing that the working group shall cease to exist on June 30, 2012;
- (6) Retaining the effective date of July 1, 2009 to allow the interagency working group to start the transition; provided that the Department of Tourism is established as a fully functioning state department by January 1, 2011; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1227, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Kidani).

**SCRep. 345            (Majority) Transportation, International and Intergovernmental Affairs on S.B. No. 586**

The purpose of this measure is to regulate the use of medium-speed electric vehicles on roads.

Your Committee received testimony in support of this measure from twelve individuals. Testimony in opposition was received from the Department of Transportation and Honolulu Division of Motor Vehicle, Licensing and Permits Administration. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee believes that the highway modernization program as contained in Senate Bill No. 1611, S.D. 1, should be parsed into two separate measures, one for the provisions increasing tax and fees and the other for the appropriation for capital improvement projects.



Your Committee has amended this measure by deleting its contents and inserting the tax and fee increase provisions and the provisions establishing the land transportation modernization special fund from Senate Bill No. 1611, S.D.1, and changing the effective date to July 1, 2012.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 586, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 586, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 346 Commerce and Consumer Protection on S.B. No. 1219**

The purpose of this measure is to clarify that a licensed real estate broker or real estate salesperson acting within the scope of the broker or salesperson's license does not violate the prohibition on the unauthorized practice of law.

Your Committee heard testimony in support of this measure from the Real Estate Commission and Hawai'i Association of Realtors. Your Committee heard testimony in opposition to this measure from the Department of the Attorney General and Hawaii State Bar Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under current law, real estate brokers and salespersons are required to hold licenses and are regulated by the Real Estate Commission, which oversees the education, licensure, and discipline of licensees. This measure clarifies the existing law and allows real estate licensees who act in accordance with the terms of their license to avoid inadvertent criminal violations, especially in instances where licensed professional activities overlap with activities common to the practice of law. Your Committee believes that existing statutes and administrative rules pertaining to real estate licensees, in addition to existing criminal prohibitions against the unauthorized practice of law, are sufficient to protect consumers.

Your Committee has amended this measure by deferring its effective date to provide an opportunity for further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1219, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1219, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 347 Commerce and Consumer Protection on S.B. No. 661**

The purpose of this measure is to regulate the funeral industry by establishing a board of cemetery and funeral trusts within the Department of Commerce and Consumer Affairs and giving the board oversight authority over cemetery and funeral licensees.

Your Committee received testimony in support of this measure from the Funeral Consumers Alliance of Hawaii. Testimony in opposition to this measure was received from Dodo Mortuary, Inc, Hawaii Allied Memorial Council, Ballard Family Mortuary, Hawaiian Memorial Life Plan, and Dodo Mortuary Life Plan, Inc. Testimony with comments was received from the Regulated Industries Compliance Office, the Cemetery and Funeral Trusts Program of the Department of Commerce and Consumer Affairs, and the Department of Budget and Finance. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is important to protect funeral and cemetery consumers both because of the expense of funeral and cemetery products and services and because of the emotional nature of such purchases. Further, since cemetery and pre-need authorities often hold consumers' funds in trust, it is important to provide oversight of fund management.

Your Committee has amended this measure by:

- (1) Changing the composition of the board to five members, including three cemetery or pre-need funeral licensees and two members of the public nominated by consumer advocate groups;
- (2) Removing the provision that allows for reimbursement of board expenses;
- (3) Removing the board's authority to receive complaints and take disciplinary action;
- (4) Changing the name of the pre-need cemetery and funeral governance fund to the pre-need cemetery and funeral special fund;
- (5) Applying fees only to contracts accepted on or after July 1, 2009;
- (6) Assessing fees to cemetery authorities, pre-need funeral authorities, and other interests as determined by the Department of Commerce and Consumer Affairs;
- (7) Clarifying the authorized purposes of the pre-need cemetery and funeral special fund;
- (8) Requiring audited financial statements and actuarial reports containing specified information;
- (9) Authorizing the Department of Commerce and Consumer Affairs to grant an extension for required reports;
- (10) Requiring the Department of Commerce and Consumer Affairs to report annually to the Legislature on licensee financial and actuarial reports;
- (11) Granting greater disciplinary and enforcement authority to the Department of Commerce and Consumer Affairs;

- (12) Changing the effective date to July 1, 2050; and
- (13) Making technical, nonsubstantive changes to section one to accurately reflect the purpose of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 661, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Ayes with Reservations, 1 (Espero). Noes, none. Excused, 1 (Sakamoto).

**SCRep. 348 Commerce and Consumer Protection on S.B. No. 1106**

The purpose of this measure is to strengthen the Hawaii Real Property Tax Act withholding requirements by requiring that the buyer of real property provide a tax clearance certificate to be furnished to the Bureau of Conveyance as a condition of recording a transfer of title.

Your Committee received testimony in opposition to this measure from Hawaii Association of Realtors and Title Guaranty of Hawaii, Inc. Testimony with comments was received from the Department of Taxation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is especially important in these difficult economic times that the State be able to collect the full amount of revenue due to it under the law. Your Committee further finds that out-of-state interests, as sellers of real property, are sometimes able to circumvent their obligations under existing Hawaii tax laws. Your Committee finds that this measure will allow the State to collect the appropriate taxes due to it without placing the burden of enforcing the law on the real estate profession.

Your Committee notes that the Department of Taxation has expressed concerns with the effectiveness of the current law that places the entire burden of ensuring tax compliance on the buyer of real property. The Department of Taxation noted in its testimony that shifting the burden of obtaining a tax clearance certificate to the seller will assist the Department of Taxation in collecting all the revenue from the various state taxes that may be due to it. Your Committee further notes that this change in the current law will likely require procedural changes in the conduct of real property transactions, especially in the escrow process. Your Committee recommends that the Committee on Ways and Means investigate this issue further.

Your Committee has amended this measure by:

- (1) Shifting the responsibility of obtaining a tax clearance certificate from the transferee (buyer) in a real estate transaction to the transferor (seller) in order to conform to the requirements of the Hawaii Real Property Tax Act; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 349 Commerce and Consumer Protection on S.B. No. 1230**

The purpose of this measure is to establish a real property asset acquisition tax on all transfers of real property to ensure that the State receives the revenue due to it under the law.

Your Committee received testimony in support of this measure from Iolani Palace, Conservation Council for Hawaii, Bishop Museum, and Hawai'i Forest Industries Association. Testimony in opposition to the measure was received from Hawai'i Association of Realtors. Testimony with comments was received from the Department of Taxation, Housing Hawaii, Tax Foundation of Hawaii, and The Nature Conservancy. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon further consideration, your Committee has amended this measure by deleting its contents and inserting provisions that address the loss of tax revenue due to real property transactions involving nonresident sellers. As amended, this measure:

- (1) Provides for the application of the conveyance tax to real property holding company transfers attributable to real estate located in Hawaii;
- (2) Imposes the Hawaii Real Property Tax Act withholding requirement on transfers of interests in real property holding companies attributable to real estate located in Hawaii;
- (3) Ensures that withholding tax payments required by the Real Property Tax Act are timely received by requiring remittance of the tax within twenty days following the transfer date by electronic transfer directly to the Department of Taxation; and
- (4) Ensures that nonresident sellers of real property pay their proper share of general excise, transient accommodations, and income taxes by requiring foreign owners to provide a tax clearance certificate to the Bureau of Conveyances as a condition of recording.

Your Committee believes that the amended measure will ensure that nonresident taxpayers, including vacation rental owners, are tax compliant before they potentially end any connection to Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1230, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1230, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Sakamoto).

**SCRep. 350 Economic Development and Technology on S.B. No. 91**

The purpose of this measure is to authorize the Hawaii community-based economic development revolving fund to receive funding from any source and reduces the maximum balance amount and interest rates for loans received under chapter 210D, Hawaii Revised Statutes.

This measure also amends the definition of "community of interest" in section 210D-2, Hawaii Revised Statutes, to allow for broader representation of persons who share a common economic interest who do not necessarily live in the same geographic region.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Office of Hawaiian Affairs, the Hawaii Alliance for Community Based Economic Development, the Hawaii Alliance of Nonprofit Organizations, the Malu'ohai Residents Association, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is fiscally responsible to authorize the Hawaii community-based economic development revolving fund to receive monies from sources other than the general fund. Your Committee also finds that this is the right time to revise chapter 210D, Hawaii Revised Statutes, in order for community-based organizations to keep pace with our changing economy in order to meet the challenges of the most distressed communities.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 91, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 351 Economic Development and Technology on S.B. No. 256**

The purpose of this measure is to establish a telework task force to develop a comprehensive plan that will encourage and expand telework opportunities in Hawaii.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii, the Land Use Research Foundation of Hawaii, the Leeward Oahu Transportation Management Association, ComTel Hawaii, and one concerned individual. Testimony in opposition of this measure was submitted by the Department of Business, Economic Development, and Tourism, and the Department of Human Resources Development. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that encouraging employers to develop a telework environment for their employees will encourage a better quality of life for people that would otherwise commute to work and it will also have a beneficial impact on Hawaii's environment, reduce traffic congestion, and reduce the State's dependence on fossil fuels. Your Committee also finds that establishing a telework task force to develop incentives and recommendations for businesses and government agencies to implement telework programs is the appropriate mechanism to foster growth for telework participation throughout the State.

Your Committee has amended this measure by:

- (1) Directing the telework task force to develop incentives and recommendations for businesses and government agencies to implement telework programs throughout the State;
- (2) Requiring the Legislative Reference Bureau to provide administrative and staffing support to the telework task force in drafting the report on its findings and recommendations to submit to the Legislature no later than August 1, 2010;
- (3) Deleting the designation of the Director of Business, Economic Development, and Tourism, and the Director of Human Resources Development as co-chairs of the telework task force;
- (4) Adding the requirement that the members of the telework task force shall collectively appoint a chairperson for the task force;
- (5) Deleting the provision that the members of the telework task force serve without compensation, but be reimbursed for travel expenses;
- (6) Requiring the telework task force to cease to exist on July 1, 2010;
- (7) Deleting the appropriation clause; and
- (8) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 256, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 256, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 352 Economic Development and Technology on S.B. No. 831**

The purpose of this measure is to establish two permanent exempt positions within the Department of Accounting and General Services for the purpose of acquiring and applying highly specialized technology skills and knowledge.

Testimony in support of this measure was submitted by the Department of Accounting and General Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the addition of two permanent exempt positions for persons with highly specialized technology skills and knowledge will improve the efficiency and productivity of the Department of Accounting and General Services in providing their services to other branches of the government and the public.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 831, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 831, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 353 (Joint) Economic Development and Technology and Commerce and Consumer Protection on S.B. No. 1680**

The purpose of this measure is to establish a Hawaii Communications Commission in the Department of Commerce and Consumer Affairs to implement the recommendations of the Hawaii Broadband Task Force.

This measure also transfers telecommunication functions from the Public Utilities Commission and cable services functions from the Department of Commerce and Consumer Affairs to the Hawaii Communications Commission. In addition, this measure establishes a work group to report to the Legislature and to develop procedures to streamline state and county broadband regulation, franchising, and permitting processes.

Testimony in support of this measure was submitted by the University of Hawaii, the Department of Commerce and Consumer Affairs, the Department of Business, Economic Development and Tourism, the Department of Budget and Finance, the High Technology Development Corporation, Hawaiian Telcom, Oceanic Time Warner Cable, Olelo, Akaku Maui Community Television, Hawaii Wildlife Fund, and one concerned individual. Testimony in opposition of this measure was submitted by Time Warner Telecom. Comments on this measure were submitted by Legislative Reference Bureau and Verizon. Written testimony presented to the Committees is available for review on the Legislature's website.

Your Committees find that this measure establishes the policy framework for the State of Hawaii to pursue high-speed broadband deployment as critical infrastructure for the State's economic recovery and future competitiveness. The goals and purposes set forth in this measure reflect the visionary perspective among Hawaii Broadband Task Force members, presenters, and participants to help Hawaii achieve broadband capability comparable to the world's leaders within a measurable time frame. Your Committees also find that consolidating regulatory, permitting, and advocacy functions into a single, one-stop agency will position Hawaii to take best advantage of federal broadband initiatives proposed by President Obama and those being debated within the United States Congress this year.

In response to testifiers who expressed concerns that specific language in this measure may be in areas preempted by federal telecommunications regulation, your Committees emphasize that the purpose of consolidating regulations over telecommunications and broadband deployment in Hawaii is to streamline or remove unwieldy regulatory requirements, while being mindful of the interplay between federal and state regulation and the competitive marketplace.

The measure before us represents a first step toward reconciling competing interests, stakeholders, and multiple layers of government requirements as Hawaii seeks to retool its regulatory structure to take advantage of the new federal emphasis on incorporating broadband infrastructure into our nation's economic recovery.

Given the unprecedented economic challenges facing Hawaii, we are heartened that the American Recovery and Reinvestment Act of 2009 offers several opportunities to help the State identify areas that may be underserved or unserved within its rural communities, and enhance broadband connectivity between Hawaii, the mainland and Asia-Pacific nations. As noted by United States Senator Daniel Inouye in a September, 2008 Congressional hearing, ". . . Broadband matters because broadband communications have become the great economic engine of our time. Broadband deployment drives opportunities for business, education, and healthcare. It provides widespread access to information that can change the way we communicate with one another and improve the quality of our lives . . . By some estimates, universal broadband adoption would add \$500 billion to the United States economy and create more than a million new jobs. . . . Add to this hundreds of millions of dollars in savings through e-government and telemedicine initiatives and untold riches we can reap by tapping the genius of web-based entrepreneurs in every corner of this country. The case for better broadband is clear."

Your Committees have amended this measure by:

- (1) Replacing the name Hawaii Communications Commissioner with Hawaii Broadband Commissioner;
- (2) Clarifying the goals of the new entity in promoting shared infrastructure to speed implementation and reduce underlying costs to providers through incentives as opposed to eminent domain procedures;
- (3) Establishing the Hawaii Broadband Commissioner as an independent agency that is attached to the Department of Commerce and Consumer Affairs for administrative purposes only;
- (4) Revising Part II, Telecommunications, section -38, of the new Hawaii Broadband Commissioner chapter, to not require the incumbent local telecommunications exchange carrier to obtain approval or provide any cost support or other information to establish or otherwise modify in any manner its rates, fares, and charges or to bundle any service offerings into a single or combined pricing package;

- (5) Providing for a six month transition period for incumbent local exchange carrier regulation by the Public Utilities Commission to assist the transfer to the Hawaii Broadband Commissioner;
- (6) Deleting subsections (b) through (h) of Part II, Telecommunications, section -38 of the new Hawaii Broadband Commissioner chapter;
- (7) Increasing the number of PEG channels that the cable operator shall designate for public, educational, or governmental use from three or more channels to five or more channels;
- (8) Establishing a contracting process between the Hawaii Broadband Commissioner and PEG access organizations that will protect First Amendment rights and provide for an orderly process for public input and review during contract renewals;
- (9) Exempting PEG access organizations from the State procurement laws;
- (10) Adding a new section 23 to the measure that includes an amendment to section 269-16, Hawaii Revised Statutes relating to the Public Utilities Commission's power to regulate utility rates, to reflect the transfer of authority and certain rate to the Broadband Commissioner;
- (11) Providing for the transfer of funds from the public utilities commission special fund and cable television subaccount to the Hawaii broadband commission special fund to provide appropriations for the new Broadband Commissioner;
- (12) Providing for the transfer of four existing positions in the Cable Television Division and ten positions in the Department of Commerce and Consumer Affairs to the new Broadband Commissioner for its operations, where those costs are to be paid out of existing cable television franchise fees and Public Utilities Commission fees for transfers;
- (13) Clarifying the function of the Broadband Commissioner's work group to streamline permitting functions applicable to development of broadband services or broadband technology;
- (14) Revising the members of the work group established by the Hawaii Communications Commission to include only state and county members;
- (15) Changing the effective date to July 1, 2050, to promote further discussions on various segments of this measure; and
- (16) Making technical, nonsubstantive amendments for the purpose of clarity.

Your Committees also thank members of the task force for an outstanding effort in bringing together many diverse interests, such as the telecommunication and cable television industries, the State's Executive Branch, business industry leaders, and numerous tech industry resource individuals. For additional information on broadband resources and best practices of other jurisdictions utilized by the Hawaii Broadband Task Force, please go to <http://www.hbtf.org>.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1680, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1680, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Green, Hee, Ihara, Hemmings).

**SCRep. 354 (Joint) Energy and Environment and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1057**

The purpose of this measure is to ensure the health, safety, and welfare of the citizens of the State by:

- (1) Adopting design and maintenance requirements for retention ponds, detention ponds, and catchment area ponds; and
- (2) Including retention pond, detention pond, and catchment area pond safety within the Department of Education's water safety curriculum.

Testimony in support of this measure was submitted by one private organization and fourteen individuals, including Allison Schaefer, whose daughter, Charlotte "Sharkey", drowned in 2004 while attempting to rescue a friend who had fallen into a retention pond. Testimony in support of the intent of this measure was submitted by one private organization. Testimony in opposition to the measure was submitted by one county department and four private organizations. Comments were submitted by two state departments and two private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Various testifiers, including Allison Schaefer, expressed concerns that the design and maintenance requirements in this measure may be premature, and suggested first establishing a task force to collect data and examine the advisability and effectiveness of a detention/retention pond safety program before instituting specific design and maintenance requirements. Comments regarding the specifics of such a task force were submitted by the American Council of Engineering Companies of Hawaii.

Your Committees find that the unintended hazards that may be posed by detention and retention ponds must be thoroughly examined and appropriate safeguards instituted. The life of a child is a terrible and tragic price to pay in the name of design expedience or cost-effectiveness, when simple measures, such as warning signs, could have prevented this tragedy.

Your Committees have amended this measure by:

- (1) Deleting its contents and substituting the language regarding the water safety task force recommended by the American Council of Engineering Companies of Hawaii;
- (2) Inserting into the revised measure the following: "This Act shall be known as the "Charlotte 'Sharkey' Schaefer Act", in memory of the young girl who drowned in 2004 while attempting to rescue a friend who had fallen into a retention pond"; and

- (3) Modifying the revised measure by emphasizing that the task force shall determine the appropriate warning signs for retention ponds.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1057, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1057, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Bunda, Fukunaga, Takamine).

**SCRep. 355 (Joint) Energy and Environment, Water, Land, Agriculture and Hawaiian Affairs and Commerce and Consumer Protection on S.B. No. 1258**

The purpose of this measure is to do the following:

- (1) Clarify the renewable energy portfolio standards by providing that, beginning in 2015, electrical energy savings will not count towards renewable energy portfolio standards and revising the electric utility companies' renewable portfolio standard;
- (2) Prohibit the Public Utilities Commission from issuing permits to build additional fossil-based electric generation units with rated capacity greater than two megawatts;
- (3) Revise the requirements of the renewable portfolio standards study, in order to reevaluate the renewable energy portfolio standards;
- (4) Authorize the Public Utilities Commission to modify the maximum capacity of eligible customer-generators and to permit designated electrical utility companies to assign customer-generators to different rates, tariffs, or contracts;
- (5) Authorize the Public Utilities Commission to eliminate the limit on eligible customer-generators;
- (6) Assign to the Energy Resources Coordinator responsibilities relating to the development of programs and incentive plans for renewable energy resources;
- (7) Amend the definition of a "qualified business" for purposes of state enterprise zones to include an entity engaged in the development or production of certain alternative or renewable energy resources;
- (8) Clarify the duties of the Renewable Energy Facilitator;
- (9) Authorize the Energy Resources Coordinator to designate certain facilities as a "renewable energy facility", for purposes of certain permitting processing; and
- (10) Institute a "deemed approved" process for permitting of renewable energy facilities if the permitting agency do not act on the applicable permit.

Testimony in support of the measure was submitted by one private organization. Testimony in support of the measure, with suggested amendments, was submitted by one state department and two private organizations. Testimony in opposition was submitted by one private organization. Comments were submitted by one state agency and two private organizations. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is intended to provide a comprehensive framework for encouraging renewable energy in Hawaii and meeting the State's goals as set forth in the Hawaii Clean Energy Initiative. Your Committees also find that certain provisions of S.B. No. 870, proposed by the Department of Business, Economic Development, and Tourism are more closely aligned with the Hawaii Clean Energy Initiative.

Your Committees have amended this measure by deleting the contents of the measure and inserting a revised version of S.B. No. 870 provided by the Department of Business, Economic Development, and Tourism, which:

- (1) Clarifies the renewable energy portfolio standards by providing that, beginning in 2015, electrical energy savings will not count towards renewable energy portfolio standards and revising the electric utility companies' renewable portfolio standard;
- (2) Revises the requirements of the renewable portfolio standards study, in order to reevaluate the renewable energy portfolio standards;
- (3) Authorizes the Public Utilities Commission to eliminate the limit on eligible customer-generators;
- (4) Assigns to the Energy Resources Coordinator responsibilities relating to the development of programs and incentive plans for renewable energy resources;
- (5) Amends the definition of a "qualified business" for purposes of state enterprise zones to include an entity engaged in the development or production of certain alternative or renewable energy resources;
- (6) Clarifies the duties of the Renewable Energy Facilitator;
- (7) Allows certain biofuel facilities and electricity production facilities to apply to the Energy Resources Coordinator to be designated as a "renewable energy facility", for purposes of certain permitting processing; and
- (8) Institutes a "deemed approved" process for permitting of renewable energy facilities if the permitting agency do not act on the applicable permit.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water, Land, Agriculture, and Hawaiian Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1258, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1258, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 13. Noes, none. Excused, 3 (Espero, Ige, Sakamoto).

**SCRep. 356 (Joint) Energy and Environment and Economic Development and Technology on S.B. No. 467**

The purpose of this measure is to support the renewable energy industry in Hawaii by:

- (1) Establishing a Division of Renewable Energy in the Department of Business, Economic Development, and Tourism to coordinate and promote renewable energy initiatives; and
- (2) Establishing a renewable energy business investment earned income tax credit.

Testimony in support of the intent of this measure was submitted by one state department and one private organization. Comments were submitted by one state department and one private organization. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the Department of Business, Economic Development, and Tourism has established a Renewable Energy Program as part of the Hawaii State Energy Office, and intends that this program will grow into a branch within the next six months. Your Committees also find that it would be beneficial to support this reorganization that is already under way.

Your Committees have amended the measure by deleting the contents of the measure and inserting language provided by the Department of Business, Economic Development, and Tourism, which:

- (1) Establishes the Renewable Energy Branch of the Department of Business, Economic Development, and Tourism;
- (2) Revises section 226-18, Hawaii Revised Statutes, to strengthen energy diversification, a longer-term view of what is reasonable in energy planning, and utilization of energy technologies;
- (3) Revises section 196-4, Hawaii Revised Statutes, to strengthen the duties of the Energy Resources Coordinator in the renewable energy and project development areas;
- (4) Establishes within the Department of Business, Economic Development, and Tourism seven full-time, temporary positions exempt from chapters 76 and 89, Hawaii Revised Statutes, to support the planning and renewable energy functions of the Renewable Energy Branch; and
- (5) Adds an appropriation for energy analysts.

Your Committees note that the measure provides an exemption from chapter 89, Hawaii Revised Statutes, as well as an exemption from chapter 76, Hawaii Revised Statutes (civil service), and encourages the Senate Ways and Means Committee to examine the feasibility of both exemptions in conjunction with current budget realities.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 467, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 467, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 357 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 701**

The purpose of this measure is to place a moratorium for any new landfills on the leeward coast, including Nanakuli, Waianae, Maili, Makaha, and Makua on or after August 1, 2009.

Testimony in support of this measure was submitted by one private organization and one individual. Testimony in opposition to the measure was submitted by one state department. Comments were submitted by one county department. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the residents of the Leeward Coast have justified concerns regarding the location of any future landfill sites and feel that they have been disproportionately carrying the burden of accepting much of Oahu's municipal solid waste.

Your Committees have amended this measure by:

- (1) Adopting the recommendation of the Ironworkers Stabilization Fund by expanding the moratorium to include private landfills and the expansion of existing private landfills; and
- (2) Making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 701, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 701, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Ihara, Kokubun, Hemmings).

**SCRep. 358 Energy and Environment on S.B. No. 934**

The purpose of this measure is to establish exempt coordinator positions within the Department of Health to plan and oversee the preparation of total maximum daily loads in Hawaii for the United States Environmental Protection Agency.

Testimony in support of this measure was submitted by two state agencies. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that to meet the requirements of the Federal Clean Water Act, the Department of Health must prepare pollutant loading budgets, otherwise known as total maximum daily loads, for state waters that exceed water quality standards and are considered "impaired," according to 40 C.F.R. 130.7. Federal regulations also require a review of Hawaii water bodies every two years and an update of the Hawaii listing of Impaired Waters. There are approximately seven hundred total maximum daily loads which need to be completed and more are added every two years. The listing of Impaired Waters and the resultant State total maximum daily load decisions are submitted to the United States Environmental Protection Agency for review and approval after public review and comment.

Currently this work is done by an exempt project position under section 76-16(b)(12), Hawaii Revised Statutes, within the Department of Health Environmental Health Administration, and is funded through a grant from the United States Environmental Protection Agency. The responsibilities of this exempt position have increased due to an expanding list of Impaired Waters and related concerns at the federal, state, county, and community levels. The current project position coordinates, oversees, and writes technically-based plans which establish waste load allocations for pollutant-impaired State water bodies identified by the State's Clean Water Act 303(d) list and the corresponding federal enabling regulations. Historically, this position was renewed each year as a project position, but the Department of Health has decided the exemption will not be administratively renewed. Establishing this exempt position by statute will ensure that the Department of Health can employ persons who understand Hawaii's unique environmental and cultural needs to gather data and prepare decisions.

Your Committee further finds that it is in the public interest to maintain this position within the Department of Health. Otherwise the United States Environmental Protection Agency will be compelled to conduct the total maximum daily loads process, and the decisions rendered may not serve the best interests of the State of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 934, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 934, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 359 (Joint) Energy and Environment and Commerce and Consumer Protection on S.B. No. 1173**

The purpose of this measure is to do the following:

- (1) Direct the Public Utilities Commission to establish energy efficiency portfolio standards;
- (2) Direct the Public Benefits Fee Administrator to review energy use patterns and develop an energy efficiency plan;
- (3) Direct the Energy Resources Coordinator to review energy efficiency in building construction and to recommend amendments to county building codes and the state building code;
- (4) Require the state building code to contain provisions of the International Energy Conservation Code and direct the counties to adopt those provisions;
- (5) Allow for the review of energy efficiency in existing state buildings and direct the Energy Resources Coordinator to establish energy efficiency guidelines for retro-commissioning and retrofits;
- (6) Require existing state buildings to be retro-commissioned no less than every five years;
- (7) Require the Energy Resources Coordinator to publish an annual energy efficiency report;
- (8) Require energy performance contracts for retro-commissioning to meet energy efficiency standards;
- (9) Expand the "Pay As You Save" pilot program to include photovoltaic energy systems and refrigerator exchanges;
- (10) Direct the Public Benefits Fee Administrator to develop and implement a program to encourage residential retail electricity customers to replace inefficient household appliances with ENERGY STAR appliances;
- (11) Provide a net-zero energy building tax credit to builders of residential or commercial buildings that produce enough energy that is equal to or greater than the energy consumed by the occupants of the building;
- (12) Direct the Public Utilities Commission to establish a consumer information program on energy efficient properties; and
- (13) Allow a taxpayer who claims the low-income household renter's tax credit to transfer the credit to the taxpayer's landlord.

Testimony in support of the measure was submitted by two private organizations. Testimony in support, with suggested amendments, was submitted by one private organization. Comments were submitted by three state departments and six private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.



Given the scope and complexity of the issues addressed in this measure and in similar bills under consideration, including S.B. No. 871, your Committees assembled an informal working group consisting of various stakeholders to discuss the proposed measure and the issues raised therein, to try to reach a consensus on addressing concerns and comments expressed in the testimony. Your Committees invited representatives from the Public Utilities Commission, the Department of Taxation, the Department of Business, Economic Development, and Tourism, the Hawaii Solar Energy Association, The Gas Company, Hawaiian Electric Company, the Building Industry Association, Blue Planet Foundation, the Land Use Research Foundation, and the Sierra Club. After several meetings with these various stakeholders, a consensus was reached regarding the amendments discussed below.

Your Committees have amended the measure by deleting its contents and inserting a revised version of S.B. No. 871 provided by the Department of Business, Economic Development, and Tourism, which:

- (1) Establishes an energy efficiency portfolio standard and directs the Public Utilities Commission to create all necessary parameters to implement the energy efficiency portfolio standard;
- (2) Designates the Public Benefits Fee Administrator as responsible for achieving the energy efficiency portfolio standards;
- (3) Directs the Public Utilities Commission to evaluate the energy efficiency portfolio standards and to revise the standards if appropriate;
- (4) Requires each state department with responsibilities for design and construction of public buildings and facilities to benchmark existing buildings so that energy efficiency may be evaluated;
- (5) Allows state departments to enter into energy savings performance contracts with third parties and establishes the parameters and procedures for such contracts;
- (6) Requires that existing public buildings be retro-commissioned not less than every five years, pursuant to guidelines created by the Energy Resources Coordinator;
- (7) Requires that energy consumption information be disclosed by the seller or lessor in the sale or lease of real property;
- (8) Authorizes a tax credit for each taxpayer who owns a net-zero energy building;
- (9) Directs the Public Benefits Fee Administrator to conduct energy efficiency assessments to identify energy use patterns in the State and to identify and recommend energy efficiency programs to target;
- (10) Directs the Public Benefits Fee Administrator to establish on-electricity-bill financing programs to encourage consumer acquisition of efficient electrical appliances and energy producing systems;
- (11) Requires the Public Benefits Fee Administrator to examine building codes and to develop and implement recommendations for increasing energy efficiency for residential and commercial buildings; and
- (12) Revises the renewable energy technologies income tax credit to encourage commercial use of solar energy systems and to permit a portion of the excess of the credit over payments due to be refunded to the taxpayer in certain circumstances.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1173, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1173, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Espero, Ige, Sakamoto).

**SCRep. 360 Energy and Environment on S.B. No. 32**

The purpose of this measure is to repeal the sunset date of the general excise tax exemption on gross income or proceeds from the sale of alcohol fuels.

Comments were submitted by one private organization. Testimony in opposition to this measure was submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii drivers typically pay high fuel prices and a general excise tax upon alcohol fuels only serves to make those prices higher. However, while the added cost of the general excise tax would increase the cost of gasoline, it may also help the public to make the shift away from the consumption of fossil fuel to "greener" alternatives.

Your Committee finds that the competing concerns regarding this issue merit further consideration. Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050 to ensure ongoing discussions on this very important issue.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 32, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 32, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 361 (Majority) Energy and Environment on S.B. No. 405**

The purpose of this measure is to abolish the ten per cent ethanol by volume requirement for gasoline sold in Hawaii for use in motor vehicles.

Testimony in support of this measure was submitted by one organization and two public citizens. Testimony in opposition was submitted by one state agency and two organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the intent of the ten per cent ethanol volume requirement for gasoline was to provide energy independence from foreign oil, reduce statewide gasoline consumption, and establish industrial plants to produce ethanol locally.

To date, the State of Hawaii imports all of its ethanol from overseas, along with crude oil. Since enactment of the ethanol requirement in 2006, no ethanol plants have been built, despite several planned ethanol plants and an abundance of vacant sugar cane land. Accordingly, your Committee finds that the intent of the ten per cent ethanol volume requirement remains unfulfilled.

Your Committee has amended this measure by amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 405, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 405, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Ihara). Noes, 3 (English, Hooser, Kokubun). Excused, none.

**SCRep. 362 Energy and Environment on S.B. No. 555**

The purpose of this measure is to direct the Department of Business, Economic Development, and Tourism to adopt rules that establish appliance energy efficiency standards consistent with those in California.

Testimony in support of this measure was submitted by two organizations. Testimony in opposition was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is dependent on imported fuel for the generation of the vast majority of electricity in the State. In addition to making Hawaii's energy supply vulnerable to external market forces, using fossil fuels to generate power creates pollution that damages Hawaii's natural environment and contributes to global warming and climate change. It is in Hawaii's best interest to conserve energy wherever possible, and the use of energy efficient appliances is one method that would produce savings in every household and business.

Your Committee further finds that California has become a pioneer in this area of conservation by adopting strict appliance efficiency regulations. Over the past decade, the energy savings resulting from California's regulations is believed to have saved that state from having to build twenty new power plants. Moreover, these efficiency standards are a significant reason why California is in the bottom fifth of all states for per capita electricity use. California's aggressive efforts to improve the efficiency of appliances like air conditioners and refrigerators have helped hold its electric demand per capita steady for three decades.

Your Committee believes that Hawaii would benefit from the development of efficiency standards for appliances sold in the State.

Your Committee has amended this measure by:

- (1) Providing the Department of Business, Economic Development, and Tourism an additional two years for the adoption and implementation of rules by extending the rule adoption deadline from January 1, 2010, to January 1, 2012; and
- (2) Making the prohibition on the sale of appliances that do not meet the Department's efficiency standards effective on January 1, 2013, rather than January 1, 2011.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 555, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 555, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 363 Energy and Environment on S.B. No. 466**

The purpose of this measure is to prohibit the use of leaf blowers with exhaust emissions greater than ten grams/kilowatt-hours during certain hours and days.

This measure also restricts the use of leaf blowers for certain durations of time and near operable doors, windows, and air ducts.

Testimony in support of the measure was submitted by nine individuals. Testimony in support of the measure, with proposed amendments, was submitted by three individuals. Testimony in opposition to the measure was submitted by one state department. Comments were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that use of leaf blowers poses health and noise pollution concerns for Hawaii citizens, particularly in urban areas where leaf blowers can be especially problematic. Your Committee finds that this measure addresses some of these concerns by placing certain restrictions on the use of leaf blowers.

Your Committee has amended this measure by:

- (1) Deleting the restriction on leaf blowers with exhaust emissions above a certain level, in response to concerns expressed by the Department of the Attorney General that such a restriction could conflict with federal law;

- (2) Clarifying the manner in which leaf blowers may be used, including restrictions on the permitted duration and location of their use; and
- (3) Making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 466, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Green). Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 364 Human Services on S.B. No. 1210**

The purpose of this measure is to establish a preference for bidders on government contracts who pledge to hire individuals with disabilities and certain temporary assistance for needy families recipients.

Testimony in support of this measure was submitted by the State Rehabilitation Council and the Hawaii Disability Rights Center. Testimony in opposition to this measure was submitted by the Statewide Independent Living Council. Comments were submitted by the Department of Human Services, the State Council on Developmental Disabilities, and Daintry Bartoldus. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during this economic downturn, persons with disabilities are suffering from high unemployment rates. According to the State Rehabilitation Council, the unemployment rate for persons with disabilities is sixty-two per cent.

Your Committee also finds that persons with disabilities often encounter difficulties gaining employment that allows them to achieve personal and economic self-sufficiency, and that this measure provides some support in achieving self-sufficiency.

Your Committee notes the State Council on Developmental Disabilities' concerns over the definition of a pledge to hire and ensuring that a successful bidder actually hires persons with disabilities or recipients of temporary assistance for needy families for the duration of the contract after pledging to do so.

Your Committee also notes the Department of Human Services' concern that the required establishment of a registry of individuals with disabilities and recipients of temporary assistance for needy families would likely require an appropriation, which may have an adverse impact on the priorities of the executive biennium budget.

In light of these concerns, your Committee has amended this measure as follows:

- (1) By requiring preference to be given to bidders who actually hire, rather than pledge to hire, persons with disabilities or recipients of temporary assistance for needy families;
- (2) By eliminating the requirement to establish a registry of individuals with disabilities and recipients of temporary assistance for needy families;
- (3) By clarifying the definition of "individual with disability" to include the requirement that the individual be qualified to receive services from the Department of Human Services' Vocational Rehabilitation Services for the Blind Division, the Department of Health's Adult Mental Health or Developmental Disabilities Divisions, or the United States Department of Veterans Affairs;
- (4) By authorizing the State Procurement Policy Board to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to clarify and implement the requirements of this measure; and
- (5) By making technical, nonsubstantive amendments to correct typographical errors.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1210, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1210, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 365 Energy and Environment on S.B. No. 392**

The purpose of this measure is to extend the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on Oahu.

Testimony in support of this measure was submitted by four organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Legislature authorized the issuance of \$32,000,000 in special purpose revenue bonds in 2004 and an additional \$68,000,000 in subsequent years for the project. Your Committee also finds that Honolulu Seawater Air Conditioning, LLC has made solid progress on the project, preparing and issuing a draft environmental impact statement in October 2008, marketing the system to potential customers, and securing financing for the project.

Your Committee further finds that Honolulu Seawater Air Conditioning, LLC's project is in the public interest, as it would supply approximately 25,000 tons of air conditioning capacity, which means decreased electricity use for air conditioning.

Your Committee finds that permitting, environmental impact assessment studies, detailed design, and other factors have taken longer than expected, and that an extension of the authorization for the issuance of special purpose revenue bonds is necessary to continue and complete this project.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 392 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Ihara).

**SCRep. 366 Energy and Environment on S.B. No. 295**

The purpose of this measure is to:

- (1) Allow hybrid vehicles and energy-efficient vehicles to use high occupancy vehicle lanes; and
- (2) Define “energy-efficient vehicle” and “hybrid vehicle” for purposes of the traffic code.

Your Committee received testimony in support of this measure from the Department of Transportation; Hawaiian Electric Company, Inc. and its subsidiary utilities; and Sierra Club Hawai'i Chapter. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would promote the increased use of fuel efficient hybrid vehicles. Increased consumer acceptance of energy-efficient vehicles, including hybrid vehicles, will aid in the reduction of greenhouse emissions and fossil fuel use. This measure also furthers the Hawaii Clean Energy Initiative's goal of seventy per cent clean, renewable energy by 2030.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 295 and recommends that it pass Second Reading and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Ayes with Reservations, 1 (English). Noes, none. Excused, 1 (Kokubun).

**SCRep. 367 Energy and Environment on S.B. No. 447**

The purpose of this measure is to repeal the sunset date on the provision of Act 103, Session Laws of Hawaii 2007, that clarified the taxation rate for naphtha, a liquid fuel sold for use in electric power generation.

The effect of this provision of Act 103 is to allow naphtha to continue to be taxed at the same rate of one cent per gallon as that applied to diesel oil, gasoline, and aviation fuel.

Testimony in support of the measure was submitted by two private organizations. Comments were submitted by two departments and one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that both Hamakua Energy Partners on the Big Island and the Kauai Island Utility Cooperative Kapaia generating station on Kauai have air pollution control permits that require the burning of naphtha, resulting in lower stack emissions. The passage of this measure would assure that naphtha remains a viable fuel for these power generating facilities.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 447 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 368 Energy and Environment on S.B. No. 552**

The purpose of this measure is to establish a procurement policy for all agencies when purchasing or leasing motor vehicles to obtain energy-efficient vehicles.

Under this measure, beginning January 1, 2010, all light-duty vehicles procured by or for any agency shall have an estimated fuel economy of at least eighteen miles per gallon under standards published by the United States Environmental Protection Agency. The measure also provides specific exceptions from these requirements for certain vehicular purchases.

Your Committee received testimony in support of this measure from one state department and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it would be wise to reduce our reliance on gasoline as it will become more expensive and will diminish in supply over time. This measure sets an example for the public to reduce fuel consumption as well as carbon dioxide and pollutant emissions from road vehicles.

For example, hybrid cars are energy efficient, with small efficient gas engines that work in combination with an electric motor. The two work together, the electric motor recharges while the car is in motion. Efficiency is then maintained by aerodynamic styling, lightweight material, and intermittent engine shut off.

Your Committee believes that energy efficiency is an urgent necessity, given the price of oil and its detrimental environmental effects, particularly in Hawaii with its abundance of natural resources and renewable energy sources. This measure represents a small step for Hawaii to showcase itself as an energy independent state.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 552 and recommends that it pass Second Reading and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Kokubun).

**SCRep. 369 Energy and Environment on S.B. No. 1090**

The purpose of this measure is to require state agencies to implement inexpensive energy conservation practices and review existing conservation strategies.

Testimony in support of this measure was submitted by one organization and twelve public citizens. One state agency and two public citizens supported the intent of the measure. One public citizen submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that state agencies need to do more to implement simple, but important, energy conservation practices in the workplace.

During the last decade, the State has invested millions of dollars in technology to bring energy costs down. In addition, the State has established various operational procedures to lower electricity costs. At the State Capitol, for instance, air conditioning is turned off at 4:30 p.m. and left completely off in certain areas during the weekend.

Your Committee further finds that even with these measures in place, more can be done by department leadership and employees. At the Department of Education, for example, employees leave fluorescent lights on when no one is in the room, computers are left on over the weekend, and windows are propped open and space heaters are on even though the air conditioner is operating.

Your Committee believes that state employees should be encouraged to conserve energy. Simple, inexpensive conservation reminders, such as signs placed at each exit, announcements during meetings and training sessions, brief articles in department newsletters, emails to employees, and morning announcements, may be effective. Even the current practice of leaving a limited number of lights on at night to deter theft should also be reviewed to see if the benefits outweigh the costs. Although the savings per item may be minimal, your Committee believes the savings will be substantial when consolidated.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1090 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 370 (Majority) Energy and Environment on S.B. No. 1174**

The purpose of this measure is to require the Director of Health to adopt rules, no later than January 1, 2011, to establish and implement the motor vehicle emission program standards of California for passenger cars, light-duty trucks, and medium-duty passenger vehicles.

This measure also requires the Director of Health to convene an advisory group composed of industry and consumer group representatives to review and comment upon any proposed rule or rule changes prior to adoption of the rules.

Your Committee received testimony in support of this measure from four organizations and eighteen individuals. Testimony in opposition was received from four organizations. Comments were received from one state department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that carbon dioxide and other greenhouse gas emissions, which result from the burning of fossil fuels and other activities, have been implicated in global climate change. Climate change, if it continues unabated, will likely have profound consequences on Hawaii's environment and quality of life. In worst case scenarios, the Pacific Ocean may inundate most of Waikiki, the business district in Honolulu, and coastal resort areas on other islands.

Your Committee further finds that by transitioning away from fossil fuel sources for electricity generation, Hawaii can play a pivotal role in demonstrating technologies that reduce humankind's contribution to global climate change.

According to testimony:

- (1) California and thirteen other states have adopted the California standards, most commonly by means of administrative rules;
- (2) California estimates that its California Clean Car Law would reduce overall greenhouse gas emissions from passenger cars by eighteen percent in 2020 and by twenty-seven percent in 2030; and
- (3) The greenhouse gasses that would be drastically reduced by this measure are carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1174 and recommends that it pass Second Reading and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Hemmings). Excused, none.

**SCRep. 371 Human Services on S.B. No. 913**

The purpose of this measure is to amend section 560:5-113, Hawaii Revised Statutes, to provide that notice to parents shall not be required if the parents have been served in a proceeding under chapter 587, Hawaii Revised Statutes, and a permanent plan has been ordered by the Court.

Testimony in support of this measure was submitted by the Department of Human Services. Testimony in opposition was submitted by the State Judiciary and one public citizen. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 106, Session Laws of Hawaii 2007, amended chapter 587, Hawaii Revised Statutes, to allow the Family Court to order legal guardianship without the termination of parental rights. A corresponding revision to section 560:5-113, Hawaii Revised Statutes, is needed to clarify that notice is not required to be served on persons who are not, and will not, be parties to the guardianship proceedings. Your Committee notes that the Judiciary has submitted testimony in opposition, and encourages the proponents of the measure to collaborate with the Judiciary to resolve differences in crafting amendments for this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 913 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 372 (Majority) Ways and Means on S.B. No. 1624**

The purpose of this measure is to afford the Legislature the flexibility to use any excess in the general fund balance to balance the state budget.

Specifically, this measure proposes an amendment to the state constitution to allow the Legislature the option of either providing a tax refund or tax credit under article VII, section 6, of the constitution or depositing the same amount into the emergency and budget reserve fund. The proposed amendment would take effect upon ratification of the proposed amendment by voters in the next general election in compliance with article XVII, section 3, of the Constitution of the State of Hawaii.

At present, article VII, section 6, of the Constitution of the State of Hawaii requires that 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 respective fiscal year, the Legislature in the next regular session shall provide for a tax refund or tax credit to the taxpayers of the State, as provided by law.

Your Committee finds that this constitutional requirement makes eminent sense during an economic up cycle -- a relatively continuous period of financial and economic strength when sufficient general revenues can be collected to balance the state budget. However, the State has now entered the beginning of an economic down cycle, one that is forecast to be a deep and protracted one, as the State is caught up in the current local, national, and global financial and economic crisis, which is placing enormous pressures on the state budget. This situation serves to highlight a weakness of the existing constitutional requirement because it requires the Legislature to pay out funds precisely at a time that fiscal shortages are anticipated.

By comparison, your Committee finds that granting the Legislature the option to use any excess in the general fund balance, especially during economic down cycles, to strengthen the state budget promotes better planning through the highs and lows of both up and down economic cycles.

Testimony in support of this measure was submitted by one organization while one state department supported the measure's intent. One state department and one organization submitted comments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1624 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, 1 (Hemmings). Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).

**SCRep. 373 Ways and Means on S.B. No. 973**

The purpose of this measure is to deter tax fraud and promote uniformity in the state tax system by conforming Hawaii tax law to the Internal Revenue Code with respect to regulating tax return preparers and adopting other accuracy-related federal provisions.

Your Committee finds tax preparers are not required to audit, examine, or review books, records, or other documents in order to independently verify information provided by taxpayers. If a tax preparer finds this information to be incorrect or incomplete, the tax preparer must make reasonable additional inquiries. This bill enables the Department of Taxation to hold tax preparers accountable for unreasonable positions on tax returns. This accountability is critical in the wake of recent corporate fraud scandals involving large corporations.

Your Committee also finds that greater scrutiny by the State is warranted with respect to regulating abusive tax schemes, erroneous tax refund claims, the understatement or misstatement of tax liability, and the collection and payment of withholding taxes. These tax violations result in not only substantial revenue losses for the State, but also mean a greater tax burden for the taxpaying public.

Finally, to enhance the enforcement capabilities of the Department of Taxation, your Committee supports the extension of the statute of limitation on assessments due to substantial omissions and providing the Department with "John Doe Summons" authority to

obtain documents from third parties to combat aggressive tax schemes. Your Committee also supports the federal policies that presume signatures on tax documents are authentic and allow the assessment and levy of taxes on fraudulent or non-filers.

Your Committee received testimony in support of this measure from one government agency and one organization. Testimony in opposition to the measure was submitted by two tax practitioners. One organization and a tax practitioner submitted comments on the measure. Based on discussion during the hearing it is the expectation of the Committee that the Department of Taxation will place greater emphasis on drafting and publishing its rules to enhance the clarity of its requirements.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 5 (English, Fukunaga, Galuteria, Hee, Tokuda).

**SCRep. 374 (Joint) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on S.B. No. 1254**

The purpose of this measure is to establish programs that encourage and reward the reporting of illegal fireworks activities.

Testimony in support of this measure was submitted by two private organizations and two individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that seeking the help of the public to report illegal fireworks activities enables the authorities to better prevent and prosecute offenders that use illegal fireworks. Your Committees also find that encouraging the public to report the use of illegal fireworks by providing a monetary reward is an innovative solution that addresses an illegal activity that has increased over the years.

Your Committees have amended this measure by:

- (1) Allowing the State Fire Council to work with local Crime Stoppers programs to encourage residents to anonymously report illegal fireworks activity;
- (2) Subjecting persons convicted of illegal fireworks activities to the forfeiture of certain personal property;
- (3) Deleting the requirement to maintain a minimum balance of \$25,000 in the illegal aerial devices fund; and
- (4) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1254, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1254, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 1 (Hemmings).

**SCRep. 375 Public Safety and Military Affairs on S.B. No. 1148**

The purpose of this measure is to clarify various provisions of the comprehensive offender reentry system, including the requirement of written reentry plans.

This measure also:

- (1) Continues the quarterly rotation system for Hawaii inmates in out-of-state prisons and establishes a limit on the maximum number of Hawaii inmates housed in out-of-state prisons, which shall be fulfilled by January 1, 2010;
- (2) Requires Department of Public Safety to promote research regarding children with incarcerated parents;
- (3) Establishes a Reentry Commission on January 1, 2010; and
- (4) Sunsets the Legislative Oversight Committee established to oversee the Department of Public Safety on January 1, 2010.

Testimony in support of this measure was submitted by one state agency, four private organizations, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a comprehensive offender reentry system lowers the State's cost of incarcerating an offender and decreases the offender's rate of recidivism upon their release. Your Committee also finds that requiring a comprehensive offender reentry plan be detailed in writing increases the likelihood of success for the offender to take a meaningful role in society upon release.

Your Committee has amended this measure by:

- (1) Requiring a comprehensive written reentry plan to be completed within ninety days of the offender's sentencing by the court, rather than from the offender's conviction;
- (2) Specifying that by December 31, 2010, the maximum number of Hawaii inmates who are housed in out-of-state prisons shall not exceed 2,000; and

(3) Amending the termination date for the Legislative Oversight Committee to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1148, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 376 (Joint) Public Safety and Military Affairs and Human Services on S.B. No. 859**

The purpose of this measure is to require certain state departments to furnish information, records, and documents to the Executive Director of the Office of Youth Services to provide treatment and care for a committed youth in the correctional facility.

Testimony in support of this measure was submitted by two state agencies and one individual. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that providing the Executive Director of the Office of Youth Services with information, records, and documents for purposes of treating or caring for a committed youth at the correctional facility is in the best interest of the correctional facility and the committed youth; provided that the information, records, and documents are kept confidential and only used for official purposes. Your Committees also find that the timely sharing of information, records, and documents with the Executive Director of the Office of Youth Services may facilitate the rehabilitation of the committed youth.

Your Committees have amended this measure by:

- (1) Requiring that confidential information, records, and documents in the possession of the Department of Education shall only be furnished to the Executive Director of the Office of Youth Services with a court order or consent of the youth's parent; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 859, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 859, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 4 (Bunda, Gabbard, Galuteria, Ihara).

**SCRep. 377 (Joint) Economic Development and Technology, Higher Education and Education and Housing on S.B. No. 1096**

The purpose of this measure is to reaffirm the Legislature's initial commitment to expand outstanding and new Science-, Technology-, Engineering-, and Math-Related (STEM) programs in Hawaii's public schools and public charter schools by providing additional funds to ensure that all schools desiring to join in providing STEM programs for their students will be able to participate between 2008-2012.

Testimony in support of this measure was submitted by the Department of Business, Economic Development and Tourism, the Department of Education, the University of Hawaii College of Engineering, the Hawaii Association of Independent Schools, the Hawaii Educational Networking Consortium, the Hawaii Agricultural Research Center, the American Public Works Association, the Hawaii Crop Improvement Association, 3D Innovations, and three concerned individuals. Comments on this measure were submitted by the Department of Human Services. Written testimony presented to your Committees is available for review on the Legislature's website.

The 2007 Legislature strongly endorsed initiatives related to STEM fields, and creative media education as the most practical, hands-on means of increasing students' interest in pursuing math/science and technology careers. All STEM proposals were evaluated against the backdrop of existing, successful math/science and related initiatives. Emphasizing the need to build upon solid performance outcomes, the Legislature enacted Act 111, Session Laws of Hawaii 2007 (Act 111), and Act 271, Session Laws of Hawaii 2007 (Act 271). Act 111 expanded existing STEM programs like robotics (including FIRST Lego League, Junior FIRST Lego League, botball, underwater ROV, VEX, Micro-Robot, and robotics camps) and Research Experiences for Teachers – Middle School. Act 271 expanded Project EAST, the Project Environmental and Spatial Technology program.

At the same time, Act 111 funded new programs (like the Hi-EST Academy, applied learning high school academies, business/education internships, and related STEM teacher development) in a pilot environment to provide the Department of Education, the University of Hawaii, individual schools, and their tech partners with an opportunity to work through initial set-up requirements and to produce a well-tested model for future expansion.

The initial Legislative targets for 2007-2008 were to double the existing forty-eight STEM, Research Experiences for Teachers – Middle School, Project Environmental and Spatial Technology, and robotics programs within public schools to achieve a level of eighty-four school initiatives. Based on strong demand from individual schools and stellar tournament results, the number of schools desiring to participate in STEM initiatives funded by Act 111 and Act 271 far exceeds the 2008 target.

At the highest level of robotics team competition, the number of For Inspiration and Recognition of Science and Technology (FIRST) robotics teams has grown from four participating high schools in 2007 to twenty-five Hawaii high school teams (including public and private schools) in 2008. The March 2008 FIRST Robotics Regional Tournament in Honolulu included thirty-eight schools competing for the National FIRST Championships (held in April 2008 in Georgia).



Your Committees find that in 1999 the total number of students involved in robotics programs was fifty, and in 2008 the number was one thousand seven hundred. These innovative educational programs help to ensure the success of Hawaii's students in the global economy, and prepare students for further education and future employment opportunities.

Your Committee has amended this measure by:

- (1) Removing the appropriation to the Department of Human Services to augment funding for STEM programs; and
- (2) Removing specific amounts in the appropriation sections.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Higher Education and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1096, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1096, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 5 (Hee, Kokubun, Takamine, Tsutsui, Hemmings).

**SCRep. 378 (Majority) Education and Housing on S.B. No. 773**

The purpose of this measure is to:

- (1) Allocate fifty per cent of conveyance taxes to the rental housing trust fund from June 30, 2008, through June 30, 2013;
- (2) Authorize the issuance of general obligation bonds for the planning, development, and construction of affordable housing;
- (3) Appropriate funds to assist developers in contracting for third party review and certification to expedite the processing and issuance of building permits for affordable housing projects; and
- (4) Appropriate funds for various homeless and housing programs and projects.

Testimony in support of this measure was submitted by two county agencies, eight private organizations, and one individual. Comments were submitted by three state agencies and two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the American Recovery and Reinvestment Act of 2009 combines tax relief and government spending totaling \$787,000,000,000 to jump start the nation's economy. Hawaii will be eligible to receive a portion of this federal funding through formula grants and competitive applications. Your Committee further finds that the federal funds could supplement the State's continued efforts to assist the homeless, rehabilitate aging public housing stock, and preserve and build affordable housing. Upon further analysis of how the federal "stimulus" funds could be leveraged with state funds, your Committee believes this measure should be amended to incorporate such federal investment.

To the extent possible, it is the hope of this Committee that a process will be created for the Hawaii Housing Finance and Development Corporation, the Hawaii Public Housing Authority, and other agencies or entities at the state and county levels to expend expeditiously any federal funds appropriated through the American Recovery and Reinvestment Act of 2009. As this measure progresses, it is the intent of this Committee that existing rules, regulations, and statutory provisions be reviewed and, if necessary, amended to create a system that effectively and efficiently delivers these funds to the appropriate state or county agency. It is equally important that comparable systems be established to allow government agencies to award these funds to the private sector recipients.

Your Committee has amended this measure by:

- (1) Amending the findings and purpose section to discuss the American Recovery and Reinvestment Act of 2009 and the funding and benefits Hawaii is projected to receive;
- (2) Making permanent the fifty per cent allocation of conveyance taxes to the rental housing trust fund;
- (3) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (4) Making technical amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 773, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Majority Leader on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 379 (Joint) Education and Housing and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1350**

The purpose of this measure is to increase the reserved housing requirement for a planned development in the Kaka'ako Community Development District, Mauka Area.

Specifically, this measure:

- (1) Requires, for a planned development on a lot of at least one acre, at least fifty per cent of the floor area to be constructed and made available as reserved housing units for low- and moderate-income families;
- (2) Requires, for a planned development with multi-family dwelling units on a lot of at least 20,000 square feet, but less than 80,000 square feet, at least twenty per cent of the multi-family dwelling units to be constructed and made available as reserved housing, a requirement currently authorized by administrative rule;

- (3) Requires the Hawaii Community Development Authority to adopt implementing rules without regard to the notice and public hearing requirements of chapter 91, Hawaii Revised Statutes; and
- (4) Prohibits the Authority from accepting applications until the rules take effect.

Testimony in support of this measure was submitted by one state agency, one private business, one private organization, and one individual. Testimony in opposition was submitted by three private organizations. Comments were submitted by one state agency, one private organization, and three individuals. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that this measure is one of many under consideration by the Legislature in response to severe shortages of affordable housing in Hawaii. Your Committees are concerned that a long-term economic crisis will further worsen what is already a challenging housing market for Hawaii residents.

Your Committees further find that while the federal economic stimulus legislation will provide some relief, much more needs to be done at the state level. Your Committees have heard and approved a wide range of proposed affordable housing initiatives and encourage further legislative discussions on the proposal in this measure.

Your Committees have amended this measure by:

- (1) Raising the minimum lot size from one acre to 80,000 square feet for the increased reserved housing requirement for a planned development in the Kaka'ako Community Development District, Mauka Area;
- (2) Deleting industrial use from the calculations of "countable floor area";
- (3) Amending the purpose section to reflect the changes; and
- (4) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1350, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Majority Leader and Chair on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Bunda, Fukunaga, Tsutsui, Hemmings).

**SCRep. 380 (Joint) Public Safety and Military Affairs and Higher Education on S.B. No. 623**

The purpose of this measure is to broaden the eligibility for tuition assistance provided to National Guard members by:

- (1) Enabling all officers, not just Second Lieutenants through Captains, to be eligible for tuition assistance; and
- (2) Allowing tuition assistance to be used for any degree, not just an undergraduate degree, offered by the University of Hawaii.

The measure also establishes that students who are members of the Hawaii National Guard and who are working toward an undergraduate degree must receive priority consideration for tuition assistance from the University of Hawaii.

Your Committees received testimony in support of this measure from the State Adjutant General. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure would broaden the scope of the tuition assistance to members of the Hawaii National Guard by including all commissioned officers rather than only officers in the grade 01 (Second Lieutenant) to grade 03 (Captain), and provide a more diverse post secondary education opportunity for National Guard members.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 623 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 4 (Gabbard, Kokubun, Takamine, Hemmings).

**SCRep. 381 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 581**

The purpose of this measure is to prohibit the use of the State's power of eminent domain to take and transfer private property to a private entity that had expressed interest in purchasing the same property for development purposes or other private use.

Testimony in support of this measure was submitted by two organizations and two public citizens. One organization supported the intent of the measure. Testimony in opposition was submitted by one county council member and one county agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that in the wake of the recent United States Supreme Court decision in *Kelo v. City of New London*, 125 S.Ct. 2655 (2005), there has been a growing concern that the need for urban renewal or economic development may be cited as justification for allowing government to condemn private property and transfer the property to the benefit of another private person or entity. In many cases the receiving private entity had expressed an earlier interest in the condemned property for development or other private use. Your Committee believes that this measure will support the protection of private property rights by imposing reasonable restrictions on the use of the State's power of eminent domain.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 581 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 382 (Joint) Economic Development and Technology and Commerce and Consumer Protection on S.B. No. 1276**

The purpose of this measure is to make various administrative and technical amendments to the Small Business Regulatory Flexibility Act and codify the Small Business Bill of Rights.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the Small Business Regulatory Review Board, the Hawaii Business League, and the Chamber of Commerce of Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the amendments made to the Small Business Regulatory Flexibility Act and Small Business Bill of Rights clarifies the rights of small businesses in Hawaii and provides guidance on the meaning of various terms that impact the operation of small businesses in Hawaii. Your Committees also find that increasing the number of members on the review board will alleviate quorum concerns in meeting their responsibilities.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1276, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1276, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Espero, Hee, Sakamoto).

**SCRep. 383 (Joint) Economic Development and Technology and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1248**

The purpose of this measure is to authorize agricultural producers and manufacturers to renew their eligibility in the enterprise zone program and allow receipts, sales, and employees of a business establishment that are located within the same county to count toward qualification in the enterprise zone program. This measure also amends the definitions applicable to chapter 209E, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, the City and County of Honolulu Department Economic Development, the Hawaii Crop Improvement Association, the Hawaiian Electric Company, Hilo Coffee Mill, Honolulu Wood Treating, Madden Corporation, Island Princess, Tradewinds Forest Products, and Oils of Aloha. Comments on this measure were submitted by the Department of Taxation and the Department of Agriculture. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that facilitating agricultural producers and manufacturers in qualifying for the enterprise zone program will enable that industry to grow in a tax efficient manner. Renewing an existing license for an additional seven years will continue to attract investment and help to revitalize some of the distressed communities in Hawaii.

Your Committees received a fiscal impact statement from the Department of Taxation that this measure, as introduced, would result in a revenue loss to the State of \$300,000. Their methodology is as follows:

Qualified companies in the State's enterprise zone program received approximately \$1,500,000 in tax credits in 2006. It is assumed that the number of firms and business activities will remain the same, and this proposal would expand enterprise zone activities by twenty per cent ( $\$1,500,000 \times 20\% = \$300,000$ ).

Your Committees note that the Department of Taxation's revenue loss methodology is based on the assumption that the number of firms and business activities will remain the same.

For example, the testimonies of the Department of Taxation, the Department of Business, Economic Development, and Tourism, and the Department of Agriculture fail to take into account any potential tax revenue gains that an extension of the enterprise zone credits might produce by helping long-established small businesses — who presently contribute their share of tax receipts to the State's economy — to expand. During a time when the State's visitor, retail, hospitality, and activities sectors of the economy are suffering from declining visitor counts, your Committees believe we should grow Hawaii's economy by stimulating the numbers of jobs that Hawaii small businesses are able to create, rather than preventing that growth from occurring.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1248 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Baker, Bunda, Takamine).

**SCRep. 384 Commerce and Consumer Protection on S.B. No. 1044**

The purpose of this measure is to amend the prohibition against the unauthorized practice of law under section 605-14, Hawaii Revised Statutes, to protect both licensed attorneys and other licensed professionals who are operating according to the terms of their professional licenses.

Your Committee received testimony in support of this measure from the Board of Public Accountancy; the Real Estate Commission; the Board of Professional Engineers, Architects, Surveyors and Landscape Architects; Hawaii Association of Realtors; Hawaii Insurers Council; Property Casualty Insurers Association of America; and Hawaii Association of Public Accountants. Testimony in opposition

to this measure was received from the Department of the Attorney General and Hawaii State Bar Association. Testimony with comments on this measure was received from Hawaii Medical Board, Aloha Association of Executives, and State Farm Insurance Companies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Legislature has a role to play in the regulation of the courts and the practice of law in the State. Your Committee has heard the testimony of the Hawaii State Bar Association that such matters are the exclusive purview of the Hawaii Supreme Court; however your Committee finds this position to be unpersuasive. Your Committee notes that the Legislature does, in fact, regulate the courts and the practice of law as evidenced by the existence of Title 32, Hawaii Revised Statutes, which contains chapters regulating (1) the state courts generally, (2) the state courts of appeals, (3) the circuit courts, (4) the district courts, (5) attorneys, (6) court personnel including clerks, reporters, and interpreters, (7) court costs and fees, (8) judicial expenses and salaries, (9) jurors, and (10) the Center for Alternative Dispute Resolution.

Your Committee heard the testimony of the Department of the Attorney General that the exceptions in this measure for licensees acting within the scope of their professional licenses is overly broad and may limit the application of this measure. Your Committee does not agree. Your Committee finds that other states that statutorily regulate the unauthorized practice of law have statutes that contain similar exceptions, and one state has twenty-one pages of exceptions. It is your Committee's view that the existence of exceptions and their number does not necessarily make for a faulty measure.

Your Committee has amended this measure by:

- (1) Replacing its contents with the language of the proposed Hawaii State Bar Association rule prohibiting the unlicensed practice of law; and
- (2) Repealing section 605-14, Hawaii Revised Statutes.

Your Committee believes that moving the amended measure forward in the legislative process will facilitate a free and full discussion in the Judiciary and Government Operations Committee on the merits of the proposed exceptions and ultimately assist in more clearly defining the scope of the practice of law.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1044, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1044, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Ayes with Reservations, 1 (Green). Noes, none. Excused, 1 (Sakamoto).

**SCRep. 385 (Joint) Commerce and Consumer Protection and Economic Development and Technology on S.B. No. 6**

The purpose of this measure is to permit the Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures for recording.

Your Committees received testimony in support of this measure from the Commission to Promote Uniform Legislation and Hawaii Association of Realtors. Testimony with comments on this measure was received from the Department of Land and Natural Resources and Hawaii Government Employees Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will allow the Bureau of Conveyances to become more efficient and up to date with its functions. Furthermore, this measure does not require that the Bureau of Conveyances make any changes to its procedures until it has the capability to do so. The Uniform Real Property Electronic Recording Act, upon which this measure is based, has been adopted in eighteen other states and the District of Columbia.

Additionally, your Committees note that privacy concerns related to making the information contained in Bureau of Conveyance filings more widely available have been addressed by the Committee on Commerce and Consumer Protection's recommendation to pass S.B. No. 1130, which allows the redaction of social security numbers on documents filed or registered with the Bureau of Conveyances.

Upon further consideration, your Committees have amended this measure by:

- (1) Allowing the Registrar of the Bureau of Conveyances and the Department of Accounting and General Services, upon authorization from the Registrar, to furnish maps or plans in photographic, electronic, or electrostatic form upon receiving a request for maps or plans;
- (2) Allowing the Registrar of the Bureau of Conveyances to furnish nonattested copies of instruments and documents in photographic, electronic, or electrostatic form upon receiving a request for instruments or documents;
- (3) Allowing the Registrar of the Bureau of Conveyances to convert existing information or documents into electronic form; and
- (4) Making nonsubstantive, technical changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 6, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 6, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hee, Ihara, Slom).

**SCRep. 386 (Joint/Majority) Health and Labor on S.B. No. 44**

The purpose of this measure is to ensure the long term financial and operational viability of the Hawaii Health Systems Corporation.

Specifically, the measure:

- (1) Requires the Department of Health, on July 1, 2009, to assume the total amount of all liabilities and debts or other obligations of the Hawaii Health Systems Corporation that had been accrued up to June 30, 1996, by the community hospitals while they were operating within the Division of Community Hospitals of the Department of Health;
- (2) Requires the Hawaii Health Systems Corporation to bear the sole responsibility for assuming all liabilities and debts or other obligations accrued beginning on July 1, 1996, and thereafter, by the community hospitals operating within the Hawaii Health Systems Corporation; and
- (3) Establishes that the Hawaii Health Systems Corporation shall bear sole responsibility for making all appropriate employer payments into funds of the Employees' Retirement System under chapter 88, Hawaii Revised Statutes beginning on July 1, 1996, and thereafter.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation; Kauai Region of the Hawaii Health Systems Corporation; and Kona Community Hospital. Comments were received from the Department of Health. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees note that this measure also requires the Department of Health to report to the Legislature on the details of the total amount of liabilities and debts or other obligations transferred from the Hawaii Health Systems Corporation and assumed by the Department of Health no later than December 1, 2009.

Your Committees find that since the formation of the Hawaii Health Systems Corporation on June 30, 1996, it has been unable to satisfy accrued liabilities of the community hospitals. The Hawaii Health Systems Corporation regions and their facilities are in severe financial crisis. According to testimony of the Hawaii Health Systems Corporation, the projection is for a continuing financial stress for years to come that will worsen over time. This situation presents a potential crisis that may seriously affect the delivery of health care to Hawaii's residents by community hospitals statewide, especially health facilities on the neighbor islands.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 44, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, 1 (Hemmings). Excused, 2 (Taniguchi, Slom).

**SCRep. 387 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1332**

The purpose of this measure is to protect public health by ensuring that respiratory care is practiced only by qualified professionals.

Specifically, this measure establishes a State Respiratory Care Board and licensure requirements to regulate the practice of respiratory care.

Your Committees received testimony in support of this measure from Kapiolani Medical Center, American Association for Respiratory Care, Hawaii Chronic Obstructive Pulmonary Disease Coalition, and the Hawaii Medical Association. Comments on this measure were submitted by the Department of Commerce and Consumer Affairs.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will protect public health and safety by providing for the licensure of respiratory therapists. Respiratory therapists serve a critical role in the health care delivery system. Your Committees further find that certain health professions need licensure to participate in federal programs.

Your Committees have amended this measure by:

- (1) Inserting a purpose section to clarify the Legislature's intent to regulate the practice of respiratory care; and
- (2) Amending section 26H-6, Hawaii Revised Statutes, to exempt certain health professions, from the required auditor's analysis for unregulated professions, that the Legislature deems is in the best interest to be licensed for participation in federal programs.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1332, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1332, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Nishihara, Sakamoto).

**SCRep. 388 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1263**

The purpose of this measure is to protect public health and safety by updating the current statutes regarding permanent and temporary licensure for tattoo artists and permits for tattoo shops.

Specifically, this measure:

- (1) Requires all tattoo shops to register with the Department of Health and establishes fees for initial permit application and annual renewal;
- (2) Authorizes temporary permits for trade shows or educational purposes and establishes fees and requirements therefor;
- (3) Authorizes temporary licenses for fourteen calendar days for tattoo artists not licensed in the State;
- (4) Sets forth additional requirements for non-temporary licenses; and
- (5) Establishes violations, including violations of consent requirements for tattooing persons under the age of eighteen as well as penalties and fines.

Testimony in support of this measure was submitted by the Hawaii Medical Association. Testimony in opposition of this measure was submitted by the Department of Health. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that tattooing has become increasingly popular in the past several years, particularly with the younger population. The statutes regulating tattoo artists and tattoo shops operating in the State have not been updated since 1981.

Your Committees further find that the Department of Health should coordinate the administrative rules regarding permits and licensure with the updated statutes.

Your Committees have amended this measure by adopting the recommendations of the Coalition for Safe Tattooing in Hawaii by:

- (1) Changing the permit renewal deadline from "January 10" to "on or before the first day of January";
- (2) Clarifying with respect to temporary licenses that:
  - (A) The licenses are valid for a maximum of fourteen consecutive days per calendar year; and
  - (B) The temporary licensing provisions apply to "professional tattooists" in jurisdictions outside Hawaii to ensure application to tattoo artists who meet Hawaii licensing requirements but come from states that do not require licensure;
- (3) Requiring non-temporary licensure applicants to pass an approved blood borne pathogen course or a state tattoo artist written examination within two years of applying;
- (4) Changing the effective date to July 1, 2050 to encourage further discussion on this matter; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1263, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1263, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Nishihara, Sakamoto).

**SCRep. 389 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1142**

The purpose of this measure is to:

- (1) Improve patient access to medical care by authorizing physician assistants to provide unsupervised care only in the event of public emergencies and local disasters;
- (2) Limit liability under Good Samaritan Laws;
- (3) Sign certain medical certifications and forms for their patients;
- (4) Administer immunizations; and
- (5) Prescribe medications for patients suffering from human immunodeficiency virus or acquired immune deficiency syndrome without preauthorization.

Your Committees received testimony in support of this measure from the American Academy of Physician Assistants, the Hawaii Academy of Physician Assistants, and the Hawai'i Primary Care Association. Testimony in opposition of this measure was submitted by the Disability and Communication Access Board. Comments on this measure were submitted by the Hawaii Medical Board.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will improve patient access to health care services, expedite the processing of paperwork, and provide optimal care at the initial point of access for Hawaii patients, especially in rural and underserved areas.

Your Committees further find that concerns have been raised by the Disability and Communication Access Board regarding the authority of physician assistants to sign applications for parking permits for persons with disabilities. Expanding this authority to physician assistants would make follow-up verification for fraud an additional burden for the Disability and Communication Access Board and counties that may further delay the issuance of permits to individuals in need.

Your Committees further find that this measure is intended to authorize the unsupervised medical care by physician assistants only in the event of a public emergency or a state or local disaster. In addition, this measure is intended to limit physician assistant liability only in specific situations pursuant to Good Samaritan laws.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that physician assistant liability is limited, only with regard to Good Samaritan Laws, in the specific situation where the physician assistant, in good faith, renders emergency medical care in a hospital to a person who is in immediate danger of loss of life;
- (2) Removing the authority of physician assistants to sign applications for parking permits for persons with disabilities; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1142, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1142, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Nishihara, Sakamoto).

**SCRep. 390 (Joint) Health and Human Services on S.B. No. 1310**

The purpose of this measure is to require the Department of Human Services to allow QUEST expanded access recipients the choice to opt out of the QUEST plan and receive services through AlohaCare from medical homes located in Waimanalo and Waianae.

Your Committees received testimony in support of this measure from the Waianae Coast Comprehensive Health Center and Waimanalo Health Center. Testimony in opposition of this measure was submitted by the Department of Human Services and the Attorney General.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committees find that community-based medical home models such as the Waianae Coast Comprehensive Health Center and the Waimanalo Health Center provide vital health care services to the communities they serve. Your Committees further find that establishing a federal demonstration project will be an effective way to receive federal funds for services provided through alternative providers.

Your Committees also find that this measure is needed to enable the necessary appropriation of federal stimulus funds.

Your Committees have amended this measure by:

- (1) Replacing its contents with language that establishes the region-specific, medical home health care federal demonstration project for the Waimanalo and Waianae area that provides culturally-sensitive, community-based services, including integrated behavioral services, which are vital to the populations they serve; and
- (2) Changing the appropriation to provide funds to the Waianae Coast Comprehensive Health Center, provided that only moneys received by the State and deposited into the state general fund pursuant to the federal American Recovery and Reinvestment Act of 2009 may be expended for the purposes of this Act.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1310, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1310, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Green, Nishihara).

**SCRep. 391 Labor on S.B. No. 642**

The purpose of this measure is to require that adjustments for excluded employees in the excluded managerial compensation plan be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining to employees in the bargaining unit from which the employees in the excluded managerial compensation plan are excluded.

This measure seeks to clarify the application of:

- (1) Section 89C-2(5), Hawaii Revised Statutes, which states that adjustments for certain excluded employees shall "to the extent practicable, uniformly apply to every excluded employee within a homogeneous grouping, such as, cabinet members or managerial employees, to ensure fairness"; and
- (2) Section 89C-3(b)(2), Hawaii Revised Statutes, which states that the personnel director of each jurisdiction shall provide recommendations to the appropriate authority that shall "ensure that adjustments for excluded civil service employees result in compensation and benefit packages that are at least equal to the compensation and benefit packages provided under collective bargaining agreements for counterparts and subordinates within the employer's jurisdiction."

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency, one county agency, one organization, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current application of section 89C-2(5), Hawaii Revised Statutes, and section 89C-3(b)(2), Hawaii Revised Statutes, allows excluded employees in the excluded managerial compensation plan to receive adjustments, including overtime compensation, equal to those provided to their non-excluded counterparts through collective bargaining agreements.

Your Committee believes that this measure is necessary to revise the current application of sections 89C-2 and 89C-3, Hawaii Revised Statutes, to an application that is fair for employees included in and excluded from bargaining units.

Your Committee has accordingly amended this measure as follows:

- (1) By deleting section 1 of the measure, which amended the definition of “adjustment”;
- (2) By adding a provision to section 89C-2, Hawaii Revised Statutes, and similar amendments to section 89C-3, Hawaii Revised Statutes, that require adjustments for excluded employees in the excluded managerial compensation plan to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded;
- (3) By amending section 89C-3(b)(2), Hawaii Revised Statutes, to provide similar conforming adjustments to excluded civil service employees under the same classification systems as employees within collective bargaining units; and
- (4) By amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 642, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 642, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, none.

**SCRep. 392 Labor on S.B. No. 713**

The purpose of this measure is to appropriate funds to continue the Emergency Environmental Workforce Program and to provide for the continuation of the program during periods of warfare or significant economic hardship.

Comments were submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that the Emergency Environmental Workforce program established by Act 4, Third Special Session Laws of Hawaii 2001, following the September 11, 2001 attacks, was successful in providing short-term employment to recently laid-off workers and significantly reducing the number of miconia and other invasive plant species, and coqui frog and fire ant populations.

Your Committee further finds that the current economic downturn and subsequent employment losses require cost-efficient, creative solutions such as the Emergency Environmental Workforce program.

Your Committee finds that the requirement to employ approximately four hundred to four hundred fifty individuals who were terminated from their jobs is restrictive. Your Committee further finds that this estimate should be determined as the Legislature further debates this matter with the intent of providing the Emergency Environmental Workforce with greater hiring flexibility.

Your Committee finds that the amount of the appropriation to continue Emergency Environmental Workforce services should also be determined as the Legislature further debates this matter.

Accordingly, your Committee has amended this measure as follows:

- (1) By leaving the estimated number of individuals required to be hired unspecified;
- (2) By amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (3) By making technical, nonsubstantive stylistic changes, and amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 713, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 393 Labor on S.B. No. 667**

The purpose of this measure is to provide additional protection to public employees who report violations of the law and other improper activities such as waste, gross misconduct, incompetence, or inefficiency; and to expand the State Ombudsman’s responsibilities regarding whistleblowers.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency. One state agency and one county agency supported the intent of the measure. The Office of the Ombudsman submitted comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that public employees should feel protected from employers’ retaliation if they report government waste, gross misconduct, incompetence, or inefficiency. Your Committee notes the Hawaii Government Employees Association’s testimony that federal and other state legislation provide protections to public and private employees who report actions that are illegal or threaten public health and safety, and that Hawaii’s legislation should provide similarly strong protections.

Your Committee notes the State Ombudsman’s recommendation that prescribing the posting of notices, referenced in sections 3 and 4 of the measure, is a responsibility more appropriate for the Department of Labor and Industrial Relations.

Your Committee also notes the State Ombudsman’s concern that section 4 of the measure, which requires the Ombudsman to inform a complainant of the complainant’s rights under the law, is inconsistent with the Ombudsman’s role as an impartial third party that should neither side with the complainant or any governmental agency in an investigation nor provide legal advice.



Your Committee shares the concern expressed by the City and County of Honolulu's Department of Human Resources regarding the broad and vague categories of complaints for which public employees would be protected for reporting violations. These categories include "economically wasteful", "gross misconduct", "incompetence", and "inefficiency". Your Committee believes that these terms should be better defined as the Legislature further debates this matter.

Your Committee agrees with the State Ombudsman's recommendation to remove paragraph 7 in section 5 of the measure, as paragraph 1 already lists administrative acts that are contrary to law as an appropriate subject for investigation.

Your Committee has accordingly amended this measure as follows:

- (1) By replacing the references to the State Ombudsman with the Department of Labor and Industrial Relations in sections 3 and 4 of the measure, which relate to the posting of notices and informing the complainant of the complainant's rights under the law;
- (2) By deleting paragraph 7 in section 5 of the measure, which would have added a violation of the proposed new section as an appropriate subject for investigation by the Ombudsman;
- (3) By amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (4) By amending this measure to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 394 Economic Development and Technology on S.B. No. 772**

The purpose of this measure is to require the Legislative Reference Bureau to conduct diagnostic assessment of the State's economy.

Comments on this measure were submitted by the Department of Business, Economic Development, and Tourism and the Legislative Reference Bureau. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that due to the seriousness of the current economic conditions facing our State, a diagnostic assessment of the State's economy by outside experts will enable state government and business industry leaders to formulate a strategy for the State to respond in the most successful manner. Your Committee also finds that a diagnostic assessment of the state economy will not only help the State in overcoming the current economic challenges but will also provide insight into how the State of Hawaii can participate in new emerging industries and participate in the global economy.

Your Committee has amended this measure by:

- (1) Deleting the amount of the appropriation that was to be expended by the Legislative Reference Bureau in order to contract with outside experts to conduct the diagnostic assessment of the state economy; and
- (2) Changing the effective to July 1, 2050, to promote further discussion on the scope and feasibility of the economic diagnostic assessment.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 772, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 772, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 395 Economic Development and Technology on S.B. No. 1247**

The purpose of this measure is to require the Department of Taxation to evaluate certain tax credits and tax exemptions and to report their recommendations to the Legislature. This measure also requires the Legislature to implement the Department of Taxation's recommendations prior to the sunset date for each tax credit and tax exemption that is evaluated.

Testimony in support of this measure was submitted by Department of Taxation, Department of Business, Economic Development and Tourism, Hawaii Government Employees Association, Hawaii Science and Technology Council, Honolulu Film Office, Hawaii Film and Entertainment Board, IATSE, Local 665, and Screen Actors Guild Hawaii. Testimony in opposition of this measure was submitted by Hawaii Housing Finance and Development Corporation, Hawaiian Telcom, Chamber of Commerce of Hawaii, Hawaii Association of Realtors, Housing Hawaii, Hawaii Pacific Health, and EAH Housing. Comments on this measure were submitted by Hawaii Bioenergy. Copies of written testimony presented to your Committee are available for review on the Legislature's website.

Your Committee finds that the evaluation requirements in this measure for the Department of Taxation, with the assistance of the Department of Business, Economic Development, and Tourism, and the subsequent reporting of recommendations to the Legislature, comprise the first comprehensive review on the usage and fiscal impacts of various tax credits and tax exemptions since the 2001-2003 and 2005-2007 Tax Review Commissions encouraged the Legislature to undertake a thorough evaluation of the costs and benefits of various credits and exemptions to determine whether they were fulfilling the purpose for which they had been adopted.

In recent years, the Legislature has been troubled by the lack of comprehensive data on various tax credits and tax exemptions being compiled by the Department of Taxation and submitted to the Legislature. For example, the Department's last complete report on usage of tax credits was in 2005. During the seven years since the enactment of Act 221, Session Laws of Hawaii, 2001, Department of Taxation has made many complaints about Act 221, but has never adopted administrative rules to address the range of abuses that

the Department asserts are commonplace among users of the tax credit. Instead, it has relied on periodic Tax Information Releases (TIR) that provide only partial guidance to potential Act 221 investors and companies as to the behavior that is permitted and that which is not. Some taxpayers have noted that the Department's responses to inquiries about the appropriate interpretation of its TIR's are not always timely nor are they complete.

In 2007, the Legislature adopted Act 206 to require the Department of Taxation to compile data to evaluate the usage, costs and benefits of Act 221's High Technology Business Investment Tax Credit, so that a proper evaluation of the actual costs and benefits associated with the tax incentives could be undertaken. That evaluation would also ensure that the tax incentives met their intended objectives. Department of Taxation worked closely with representatives of tech industry, Act 221 businesses and Department of Business, Economic Development, and Tourism to develop a new form to report on the economic benefits (e.g., jobs created, investments made, etc.) under the new law.

The Department of Taxation published two recent reports on Act 221 credits, one dated September 2008 and the other dated December 2008. However, the two reports have not fulfilled the needs of the Legislature, which was to obtain a clear picture of whether the manner in which Act 221 credits are awarded, administered and reported on is done in a manner to establish a strong sense of trust that the public is getting "good value" for the loss of tax revenues. In particular, the December 2008 report contains analyses that do not provide a fair and accurate comparison of the costs and benefits of Act 221 since its date of enactment. Specifically, the December 2008 report compares one year of benefits reported by new applicants for the tax credit in 2007, but evaluates the reported benefits against costs attributable to all users of Act 221 credits for the past six years.

In the absence of sufficient data with which to make a thorough evaluation of the costs and benefits of credits and exemptions, your Committee proposes a framework in this measure to evaluate all existing credits and exemptions over an initial five-year period, coupled with automatic sunset dates that could be accepted or extended by the Legislature pursuant to a recommendation from the Department of Taxation, based on its review and compilation of relevant data. Those tax credits with statutory sunset dates would be evaluated and reported on during the year prior to the sunset of the credit.

During the hearing on the measure, several users of existing credits strongly objected to the automatic sunset dates in the measure, which would adversely impact their operations – e.g., affordable housing agencies and advocates, a health care provider, and a telecommunications provider. While sympathetic to the concerns raised by testifiers, particularly involving "social incentives" like affordable housing and hospitals, your Committee believes that the bill's framework for comprehensive evaluation of credits and exemptions should be advanced to give the Senate Committee on Ways and Means the opportunity to review the fiscal impact and economic benefits of all credits and exemptions in conjunction with specific sunset dates.

To relieve some of the concerns of industry testifiers, your Committee proposes to move those tax credits or exemptions whose sunsets were strongly opposed to the group of incentives with the last sunset date. Your Committee further offers the following overview on usage of these specific credits and exemptions:

- (1) Renewable energy technologies tax credit, Section 235-12.5, Hawaii Revised Statutes, in 2005, Department of Taxation reported revenue losses of \$2,615,387, whereas in 2006, the department reported revenue losses of \$6.18 million. The cost and benefits of this credit has also been carefully evaluated in the *Report of the Energy-Efficiency Policy Task Force, January 2002*. As such, your Committee believes that the level of data and analysis for this credit serves as a useful model of the type of fiscal and economic impacts review that is required for legislative oversight and review.
- (2) General excise tax exemption granted to qualifying hospitals, Section 237-23(6), Hawaii Revised Statutes, in response to the committee's inquiry, Department of Taxation reported that the amount of qualifying income that tax-exempt hospitals exclude from taxation is not captured by the Department. It referenced Appendix H of the *Report of the 2005-2007 Tax Review Commission*, which examined the impact of eliminating the tax-exempt status granted to a broader category of non-profit organizations.

The Tax Review Commission's report identified a revenue loss of \$225.2 million for 2005, and hypothesized that, since hospitals represented 31% of that total, approximately \$69.7 million would be attributable to elimination of the tax exemption granted to qualifying hospitals. In its testimony, Hawaii Pacific Health pointed to the adverse impact that repeal of the tax exemption granted to qualifying hospitals would have on its operations, citing a deficit of 20-21% on all Medicaid and QUEST reimbursements paid by the State of Hawaii to Hawaii hospitals, as well as the chilling effect that loss of the exemption would have on a hospital's credit rating and ability to obtain financing at reasonable cost.

- (3) Low-Income Housing Tax Credit, section 235-110.8, Hawaii Revised Statutes; general excise tax exemptions for certified housing projects, section 237-29, Hawaii Revised Statutes; and low-income housing tax credits used by banks and financial institutions, section 241-4.7, Hawaii Revised Statutes, Department of Taxation reported usage of low-income housing tax credit resulted in a \$5.4 million revenue loss in 2005, with claims by financial institutions using section 241-4.7, Hawaii Revised Statutes, were an additional \$2.4 million in revenue losses.

In response to your Committee's inquiry, Hawaii Housing Finance Development Corporation and Department of Taxation reported the following awards for low-income housing: projects with a total of 364 housing units obtained \$2,121,595 in credits in 2006, projects with a total of 961 units obtained \$3,750,430 in credits in 2007, and projects with a total of 595 units obtained \$4,311,789 in credits in 2008. Accordingly, among the projects awarded low-income housing tax credits from the state's annual volume cap, and those awarded low-income housing tax credits in addition to the state's annual volume cap yielded projects with a total of 1,456 units, with a revenue loss of \$6,268,851.

- (4) Capital goods excise tax credit, section 235-110.7, Hawaii Revised Statutes, as reported by Department of Taxation, the capital goods tax credit is a refundable credit for purchases of eligible depreciable tangible personal property used in a trade or business in Hawaii. In 2005, \$23.5 million was claimed, while a total of \$34,334,925 was claimed by businesses in 2006.
- (5) General excise tax exemption for services to related entities, section 237-23.5, Hawaii Revised Statutes,: Department of Taxation reported that this data is not available because the Department does not capture this information; the Department

referenced Appendix H of the *Report of the 2005-2007 Tax Review Commission* in reporting that usage of the exemption resulted in an \$11 million revenue loss for 2005.

- (6) Lifeline tax credit, section 239-6.5, Hawaii Revised Statutes, Department of Taxation reported that \$163,672 in credits was claimed for 2006; no data was furnished by the department for 2005.

As your Committee sought information on the economic impacts or benefits accruing from use of various tax credits and exemptions, it became obvious that Department of Taxation could not compile this information unless it relied upon the Department of Business, Economic Development and Tourism's Research Division for assistance in developing the appropriate economic models for an evaluation of the economic benefits. For example, Department of Business, Economic Development, and Tourism objected to the automatic sunset of the renewable energy technologies tax credit because the department had undertaken a specific cost-benefit analysis for the renewable energy technologies. See *Report of the Energy-Efficiency Policy Task Force, January 2002*. <http://www.state.hi.us/dbedt/ert/symposium/preface.html>. Similarly, your Committee acknowledges the State of New Mexico's January 2009 study entitled *Economic and Fiscal Impacts of the New Mexico Film Production Tax Credit* as a useful example of the type of concise economic impacts reports sought by the Legislature. <http://www.nmfilm.com/locals/downloads/nmfilmCreditImpactAnalysis.pdf>

Accordingly, your Committee proposes to establish parameters for Department of Taxation's reporting on fiscal impacts (e.g., costs) of tax credits or exemptions, and parameters for Department of Business, Economic Development and Tourism's reporting on economic impacts (e.g., benefits) of tax credits or exemptions for each of the credits and exemptions outlined within this measure to insure that the Legislature has data reflecting the dynamic impacts of each tax credit and tax exemption that is studied or evaluated

It is the intent of your Committee to require the Department of Taxation to evaluate and report recommendations to the Legislature for certain tax credits and tax exemptions under chapters 209E, 235, 237, 239, 241, and 244D, Hawaii Revised Statutes, and require the Legislature to implement those recommendations prior to the sunset date for each tax credit and tax exemption that is evaluated. To address the issue of lack of access to pertinent tax data that is timely, comprehensive, and accurate, the Legislature will require the Department of Taxation to post all usage data on tax credits and tax exemptions on the Department of Taxation's website with an explanation of the Department's methodology used to calculate revenue losses and other fiscal impacts.

Your Committee has amended this measure by:

- (1) Requiring the Department of Business, Economic Development, and Tourism to provide dynamic economic impact statements to the Department of Taxation for each tax credit and tax exemption identified in this measure;
- (2) Moving the potential repeal for certain tax credits and tax exemptions to a later date;
- (3) Clarifying that potential repeal of the tax credits under sections 235-110.8 and 241-4.7, Hawaii Revised Statutes, and the tax exemption under section 237-29, Hawaii Revised Statutes, shall not apply to those projects approved before January 1, 2014; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1247, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 396 Economic Development and Technology on S.B. No. 786**

The purpose of this measure is to create the criminal offense of criminal trespass on historic places and the criminal offense of criminal property damage to historic sites.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, the Office of Hawaiian Affairs, the Historic Hawaii Foundation, and two concerned individuals. Testimony in opposition of this measure was submitted by one concerned individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee appreciates that the Hawaii Register of Historic Places is the official listing of cultural resources that are recognized as significant to Hawaii's history, architecture, engineering, and culture. The list of buildings, sites, objects, districts, and structures give a sense of place and identity to those who live in the islands, as well as impart to visitors a tangible reminder of the State's complex and rich history that contributes to the collective heritage of residents.

Your Committee finds that, given the importance of the sites recognized on the Hawaii Register of Historic Places, it is appropriate that those places be treated with special care, dignity, and respect.

Upon further consideration, your Committee acknowledges that the criminal trespass provisions proposed by this measure should be classified as a misdemeanor, rather than a felony. Furthermore, rather than providing for the proposed crimes in new sections of the Hawaii Revised Statutes, these crimes may be appropriately incorporated in the existing crimes of criminal trespass in the first degree and criminal property damage in the first degree.

Accordingly, your Committee has amended this measure by deleting its contents and inserting provisions to:

- (1) Make the entering or remaining unlawfully on property listed in the Hawaii Register of Historic Places after warning or request to leave, an offense of criminal trespass in the first degree, a misdemeanor; and
- (2) Make the intentional or knowing damage to property on the Hawaii Register of Historic Places an offense of criminal property damage in the first degree, a class B felony.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 786, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 397 Economic Development and Technology on S.B. No. 1005**

The purpose of this measure is to establish a property right in the commercial use of a person's name, voice, signature, photograph, or likeness.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, Genoa Keawe Records, and Kanikapila Records. Testimony in opposition of this measure was submitted by Cord International and one concerned individual. Comments on this measure were submitted by Tantalus Records and one concerned individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that protecting an individual or personality's publicity rights is imperative for writers, composers, and recording artists in Hawaii. These persons deserve to have confidence that the laws of Hawaii protect the commercial value of their name, voice, signature, photograph, or likeness.

Your Committee also finds that this measure tempers the exploitation of the names, signatures, voices, and photographs of a deceased individual or personality without any compensation to their heirs.

This measure is based upon the well-regarded publicity rights statute for the State of Washington that reflects years of experience in fine tuning various rights, remedies, and exceptions.

Your Committee has amended this measure by:

- (1) Clarifying in the purpose section that this measure does not interfere with existing copyright laws for sound recordings;
- (2) Revising the purpose section of the measure to ensure that a property right is being protected;
- (3) Decreasing the period of protection of an individual's publicity rights after their death from 70 years to 20 years;
- (4) Changing the effective date to July 1, 2050, to promote further discussion on this measure; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1005, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1005, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 398 Economic Development and Technology on S.B. No. 1609**

The purpose of this measure is to establish the criminal offense of communication service fraud in the first and second degrees.

This measure also provides the aggrieved communication service provider with civil remedies, including but not limited to the offender forfeiting any unlawful communication or access device or materials to the aggrieved communication service provider.

Testimony in support of this measure was submitted by Hawaiian Telcom and Time Warner Cable. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the laws regarding communication service fraud have not kept pace with the changing technology in the field. Your Committee finds that establishing the offenses of communication service fraud in the first and second degrees will provide the authorities with statutes that will adequately protect the property rights of communication service providers.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee 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 referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 399 Energy and Environment on S.B. No. 485**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for the purpose of assisting Carbon Diversion Inc., or a partnership in which Carbon Diversion Inc. is a general partner, for the establishment of a cogeneration facility and related energy production facilities.

Testimony in support of this measure was submitted by two state organizations and three private businesses. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Carbon Diversion Inc., is a local company that was incorporated in Hawaii in 2004. The company has developed a full-scale hybrid gasification carbonization process at Campbell Industrial Park in Kapolei which can reduce various organic feedstock and tires (non-fossil fuel) into carbon products and synthetic gas that complies with the Environmental Protection Agency's air emission standards.

Your Committee has amended this measure by incorporating the recommendations of Carbon Diversion Inc., to clarify the description of the process by which the company produces electric energy from nonfossil fuel feedstock.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 485, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 485, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 400 Energy and Environment on S.B. No. 1259**

The purpose of this measure is to exclude bona fide prospective purchasers and owners of contiguous properties who meet certain conditions from liability under the environmental response law.

Specifically, this measure shields certain persons from liability under section 128D-6, Hawaii Revised Statutes, for owning real property that is or may become contaminated, solely by reason of such contamination or threatened contamination, subject to certain conditions.

Testimony in opposition to this measure was submitted by the Department of Health and one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

The Department of Health submitted testimony expressing concern over the measure as drafted, preferring S.B. No. 935 as it is more closely aligned with federal law. The Department of Health specifically requested that the contents of this measure be replaced with the contents of S.B. No. 935, along with certain amendments to S.B. No. 935 for clarity and conformity to federal law.

Your Committee finds that, it is important to provide consistency between the state and federal law regarding the liability of bona fide prospective purchasers and contiguous property owners of contaminated land, and the contents of S.B. No. 935, as amended by the language suggested by the Department of Health, is perhaps the better vehicle to do so.

Your Committee has amended this measure by deleting its contents and inserting language from S.B. No. 935, as amended by the revisions suggested by the Department of Health. This measure, as amended, provides consistency between federal and state environmental liability laws in setting forth the conditions and circumstances under which an innocent contiguous property owner or a "bona fide prospective purchaser" shall not be held liable for damages and costs related to the contamination of real property not owned or operated by the property owner or purchaser.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1259, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Hooser, Kokubun).

**SCRep. 401 Energy and Environment on S.B. No. 390**

The purpose of this measure is to clarify provisions of Act 204, Session Laws of Hawaii 2008, which mandated the installation of solar water heater systems for single-family dwellings and limit to an absolute minimum the circumstances by which a fossil fuel fired water heater of any type may be substituted.

Specifically, this measure accomplishes the following:

- (1) Directs the Public Benefits Fee Administrator, rather than the Energy Resources Coordinator, to handle variance applications from the mandatory solar water heating system provisions;
- (2) Requires that the attestation in the mandatory solar water heating system variance application be submitted by a mechanical engineer;
- (3) Deletes the provision allowing substitution of gas-tankless appliances for solar water heating systems;
- (4) Requires the Public Benefits Fee Administrator to make public all applications for variances and the disposition of all applications for variances;
- (5) Reduces the amount of the tax credit for wind-powered energy systems or photovoltaic energy systems if such systems are used to fulfill the substitute renewable energy requirement for solar water heating systems;
- (6) Directs the Public Utilities Commission to harmonize its standards for solar water heating systems with those adopted by the Public Benefits Fee Administrator; and
- (7) Directs the Public Benefits Fee Administrator to use demand side management surcharges to conduct post-installation verification inspections.

Testimony in support of the measure was submitted by one private organization. Testimony in support of the intent of the measure, with comments or concerns, was submitted by two state departments and three private organizations. Testimony in opposition to the

measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure clarifies and builds upon the accomplishments of Act 204, Session Laws of Hawaii 2008. The transfer of some of the responsibilities under the solar mandate to the Public Benefits Fee Administrator allows the State to take advantage of the Administrator's up-to-date understanding of solar technology and the basis for granting or denying waivers and for performing post-installation verification inspections. However, your Committee also finds that deleting the gas-tankless substitution option limits consumers' choices in seeking energy efficient alternative solutions. Further, your Committee finds that several provisions of this measure are better incorporated into other measures under consideration by the Legislature.

Your Committee has amended this measure by:

- (1) Deleting its purpose clause;
- (2) Deleting provisions that would have repealed the existing gas-tankless substitution option as an alternative to the solar water heater system requirement;
- (3) Specifically directing the Public Benefits Fee Administrator to perform post-installation verification inspections;
- (4) Deleting the provisions regarding tax credits, as these provisions have been incorporated into S.B. No. 1173;
- (5) Deleting the provisions directing the Public Utilities Commission to harmonize its standards for solar water heating systems with those adopted by the Public Benefits Fee Administrator, as the responsibilities for instituting standards are within the purview of the Public Benefits Fee Administrator;
- (6) Changing its effective date from January 1, 2009, to July 1, 2009; and
- (7) Making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 390, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 402 (Majority) Energy and Environment on S.B. No. 1633**

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$20,000,000 for the purpose of assisting EPOD, Inc. with the planning, design, construction, equipping, and operating of a solar farm power plant on the island of Oahu.

Your Committee received testimony in support of this measure from three private organizations. Your Committee received testimony with comments from the Department of Budget and Finance. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is in the best interest of the State to develop a greater generating capacity for solar-generated electricity, which is a clean energy technology from a renewable and abundant resource, the sun. Your Committee further finds that the incorporation of EPOD Solar Hawaii, Inc., a subsidiary of EPOD Solar, Inc., in the State will serve the best interests of the State by generating new tax revenue. Your Committee finds that the issuance of special purpose revenue bonds under this measure will help Hawaii achieve its clean energy goals and reduce dependence on foreign oil.

Your Committee has amended this measure by:

- (1) Providing that in addition to a solar power farm, EPOD Solar Hawaii, Inc. intends to use the funding provided to construct a solar panel manufacturing plant;
- (2) Providing that in addition to the island of Oahu, EPOD Solar Hawaii, Inc. may construct the proposed projects on various islands throughout the State of Hawaii;
- (3) Clarifying that EPOD Solar Hawaii, Inc. will incorporate in the State of Hawaii by February 27, 2009; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1633, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1633, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 3 (Green, Hooser, Kokubun). Noes, 1 (English). Excused, 1 (Ihara).

**SCRep. 403 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 1612**

The purpose of this measure is to establish a comprehensive approach to increasing the use of alternative fuel vehicles in the State, including state procurement of alternative fuel vehicles, tax incentives, and infrastructure requirements.

Testimony in support of the measure was submitted by one private organization. Testimony in support, with suggested amendments and comments, was submitted by one state department and four private organizations. Testimony supporting the intent of the measure, but with concerns, was submitted by two state departments. Testimony in opposition to the measure was submitted by one state

department and one private organization. Comments were submitted by three private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The Department of Transportation submitted testimony addressing the effect that the tax and fee exemptions and waivers in this measure would have on the State Highway Fund revenues. Given the Department of Transportation's current and projected financial situations, the Department of Transportation has been concerned about keeping up with the project schedules for critical roadway infrastructure improvements. To address these concerns, the Department of Transportation has offered an amendment to the measure, authorizing it to set up certain programs, which are contingent upon the economy improving.

Your Committees find that this measure contains a comprehensive framework to encourage the development of electric and alternative fuel cars in Hawaii. Nonetheless, your Committees find that this measure's impact on the already-strained budget of the Department of Transportation is problematic. Your Committees further find that, with the economic downturn affecting the state budget, it is incumbent upon the legislature to make tough choices.

Your Committees have amended this measure by deleting the contents of the measure and replacing it with language suggested by the Department of Transportation, establishing a Land Transportation Modernization Special Fund, to be administered by the Department of Transportation. Moneys deposited in the Land Transportation Modernization special Fund would be used for the purpose of rectifying critical deficiencies by pursuing programs and projects of the Department of Transportation that have the greatest potential to improve performance categories relating to safety, congestion, system preservation, and other programs and initiatives.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1612, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1612, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.

Ayes, 4. Noes, 2 (Hemmings, Slom). Excused, 4 (Hooser, Ihara, Kokubun, Nishihara).

**SCRep. 404 Human Services on S.B. No. 133**

The purpose of this measure is to require the Public Utilities Commission to implement a program to achieve lifeline electricity rates for qualified residential electricity customers.

Testimony in support of this measure was submitted by the Hawaii COPD Coalition and two public citizens. The Public Utilities Commission, the Department of Commerce and Consumer Affairs, and Hawaiian Electric Company, Inc., support the intent of the measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that several medical conditions require devices which require electricity to operate. Many of these conditions are progressive, and individuals may require the use of devices to help them breath while they sleep. One person testified that their electricity bill increased four hundred dollars for the first month of using an oxygen concentrator. Without lifeline electricity rates, many patients may find that required medical devices are cost-prohibitive to operate.

Your Committee has amended this measure by:

- (1) Deleting the specified qualifications for lifeline electricity rates;
- (2) Requiring the Public Utilities Commission to develop the qualifications for lifeline electricity rates; and
- (3) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 133, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 405 Human Services on S.B. No. 912**

The purpose of this measure is to amend chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, to ensure compliance with federal Title IV-E permanency hearing requirements.

Testimony in support of this measure was submitted by the Department of Human Services. Testimony in opposition was submitted by the State Judiciary. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, does not specifically address the federal requirement for permanency hearings at twelve month intervals to determine the permanency plan for a child in accordance with federal law. The Department of Human Services has been informed by the federal government that Hawaii's State Plan will not be approved and the State will be restricted from obtaining federal Title IV-E funds if the requisite statutory changes are not implemented. The Department of Human Services receives over fifty million dollars in Title IV-E federal funds for foster board, treatment, services, staffing, and administrative costs.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 912, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 406 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 572**

The purpose of this measure is to assist condominium associations by increasing the amount of unpaid common assessments that an association may collect against the subsequent owner of a foreclosed property and allowing an association to offer assistance to a handicapped or disabled tenant who is having difficulty living independently.

Your Committees received testimony in support of this measure from Hawaii Council of Associations of Apartment Owners and Hawaii Independent Condominium & Cooperative Owners. Testimony in opposition to this measure was received from Hawaii Bankers Association. Testimony with comments was received from Hawaii Financial Services Association and the Disability and Communications Access Board. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that mortgage foreclosures impact condominium and apartment owners associations when the owner of a foreclosed property fails to pay association maintenance fees. The association continues to be responsible for the upkeep and maintenance of the common areas and provision of common benefits such as water, electricity, and maintenance staff of the property regardless of whether it receives all of the fees that are due to it. Your Committees find that the maximum amount that an association can assess under the current law is insufficient to cover the actual maintenance costs incurred.

Your Committees further find that associations and their members should be supported in their good faith efforts to assist fellow residents who have difficulty living independently. The current law protects associations from liability for good faith efforts to assist elderly residents who may be in need of assessment or social services in order to maintain independent living and avoid harm to self or others. This measure allows associations to offer the same assistance to disabled residents.

Your Committees have amended this measure by:

- (1) Removing references to "handicapped" persons and adding a definition of "disabled" that conforms with the definition found in the Fair Housing Act;
- (2) Including elderly or disabled non-owner residents in the class of persons who may be assisted by an association and further defining the circumstances under which such assistance may be provided;
- (3) Allowing functional assessments and recommendations for elderly or disabled residents to be provided by appropriate state or county agencies upon request and as appropriate; and
- (4) Making nonsubstantive, technical changes for the purpose of clarity and accuracy of language.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 572, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 572, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Espero).

**SCRep. 407 (Joint) Labor and Human Services on S.B. No. 905**

The purpose of this measure is to transfer the Office of Community Services (OCS) from the Department of Labor and Industrial Relations to the Department of Human Services.

Testimony in support of this measure was submitted by three state agencies. Testimony in opposition to this measure was submitted by one organization. Comments were submitted by two organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Office of Community Services was originally created to consolidate programs that promoted economic and personal self-sufficiency. Initially, the focus of OCS was on programs that trained and prepared people for employment, which made OCS appropriately attached to the Department of Labor and Industrial Relations.

Your Committees find that over time, OCS developed programs linked to the Employment Core Services, which programs serve low-income, immigrant, and refugee populations. According to OCS, the number of people served by the Employment Core Services in fiscal year 2008 was slightly over 1,900 individuals, while the number of people served by other programs in OCS was over 25,000.

Your Committees find that the transfer of OCS administratively to the Department of Human Services would be appropriate given OCS's current focus. Your Committees further find that the transfer would streamline governmental operations and better provide low-income people, disadvantaged people, refugees, immigrants, and homeless people with the tools to attain self-sufficiency, such as employment and job training, child care, and general assistance.

Your Committees note the following comments of Catholic Charities Hawaii and the Inter-Agency Council for Immigrant and Refugee Services and recommends that these concerns be addressed as the Legislature further debates this measure:

- (1) The transfer should not affect the ability of OCS to maintain efficient and timely payment to service providers;
- (2) The transfer should not result in any cuts to immigrant program funding or attempts to have services for immigrants consolidated into programs for low-income persons;
- (3) The concept of self-sufficiency should continue to include job creation as well as regular employment programs; and
- (4) OCS's milestone payment system should be operated according to realistic milestone objectives.



Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services that are attached to this report, your Committees 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 referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 3 (Ihara, Taniguchi, Slom).

**SCRep. 408 (Joint) Health and Commerce and Consumer Protection on S.B. No. 415**

The purpose of this measure is to protect consumers of home care services by:

- (1) Requiring home care agencies to be licensed by the Department of Health; and
- (2) Appropriating funds for a position in the Department of Health to assist with licensure and monitoring of home care agencies.

Your Committees received testimony in support of this measure from The Chamber of Commerce of Hawaii, the International Longshore and Warehouse Union Local 142, and AARP Hawaii. Testimony in opposition of this measure was submitted by the Department of Health and the Department of Human Services. Comments on this measure were submitted by the City and County of Honolulu.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that it is necessary to license home care agencies to ensure the public that minimum standards are being met by home care staff who provide personal care services in the homes of clients. Your Committees further find that an important part of licensure is the requirement that criminal background checks be conducted.

Your Committees have amended this measure by:

- (1) Providing time for the Department of Health to establish licensing procedures by requiring licensure of each home care agency by July 1, 2010;
- (2) Exempting service provider agencies that are under contract for services with the City and County of Honolulu Elderly Affairs Division from the licensure requirement; and
- (3) Removing the appropriation.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 415, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 415, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Nishihara, Sakamoto).

**SCRep. 409 Health on S.B. No. 192**

The purpose of this measure is to promote full inclusion, independence, equal access, and quality of life for persons with hearing disabilities by requiring private health insurers to cover the cost of hearing aids.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Disability and Communication Access Board, Kaiser Permanente, American Family Life Assurance Company of Columbus, and Hawaii Centers for Independent Living. Testimony in opposition to this measure was submitted by Hawaii Association of Health Plans. Comments on this measure were submitted by the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that hearing aid devices are necessary for the health and safety of individuals with hearing disabilities who require them for daily living. Your Committee further finds that the actual benefit provided for hearing aid devices should be particularized in insurance policies.

Your Committee has amended this measure by excluding limited benefit policies such as accident-only, specified disease, hospital indemnity, medicare supplement, long-term care, dental, vision, or other limited benefit health insurance policies from the requirement that private health insurers cover the cost of hearing aids.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 192, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 410 Commerce and Consumer Protection on S.B. No. 1606**

The purpose of this measure is to require all entities engaged in business in the State as a real estate appraisal management company to register with the Real Estate Commission and to abide by standards for management, quality control, ethical behavior, and fair employment practices.

Your Committee heard testimony in support of this measure from the Real Estate Commission and the Hawaii Chapter of the Appraisal Institute. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appraisal management companies perform many important functions including appraisal review, quality control, market value dispute resolution, warranty administration, and record retention. Because of the importance of these functions and the rapid growth of the appraisal management industry in recent years, it is important that appraisal management companies be held to high standards of professionalism and ethical behavior.

Your Committee notes that, pursuant to section 26H-6, Hawaii Revised Statutes, new regulatory measures that "would subject unregulated professions and vocations to licensing or other regulatory controls shall be referred to the auditor for analysis" of the new regulatory scheme and potential alternatives. Your Committee recognizes the need to advance this measure to the Committee on Judiciary and Government Operations for further consideration before the drafting of the required resolution. Your Committee further recognizes that this issue should be considered as thoroughly as possible so that the Auditor may conduct the best possible sunrise study and make the most appropriate recommendations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, Your Committee is in accord with the intent and purpose of S.B. No. 1606 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 411 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.B. No. 719**

The purpose of this measure is to establish a surcharge on vehicle net weight to be assessed on sales of passenger cars and pickup trucks, and to establish a clean fuel special fund into which the surcharge is deposited.

Your Committees received testimony in support of this measure from one state department and two organizations. Testimony in opposition was received from two organizations. Comments were received from one state department and one organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that paying less and avoiding having to pay any liquid fuel tax is often viewed as a factor that encourages motorists to purchase or use more fuel-efficient motor vehicles or motor vehicles that use alternative sustainable fuel sources. The liquid fuel tax, however, is the primary means of funding the infrastructure improvements needed to support motor vehicular travel, regardless of fuel type. As the use of fuel efficient and alternative energy vehicles becomes more prevalent, less gas will be consumed and liquid fuel tax collections will correspondingly diminish. The current method of assessing the motor vehicle liquid fuel tax on a per gallon basis will become increasingly ineffective at generating a stable revenue source to fund the land transportation infrastructure program. The number of miles each vehicle travels is a better gauge of its actual use and associated impact on the land transportation infrastructure.

Upon further consideration, your Committees have amended this measure by deleting its contents and inserting provisions to establish a vehicle miles traveled pilot program to explore the possibility of collecting user fees from users of highways.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 719, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 719, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Majority Leader on behalf of the Committees.  
Ayes, 4. Noes, 2 (Hemmings, Slom). Excused, 4 (Hooser, Ihara, Kokubun, Nishihara).

**SCRep. 412 Economic Development and Technology on S.B. No. 294**

The purpose of this measure is to clarify that the Department of Business, Economic Development, and Tourism may make recommendations to the state departments rather than to agencies.

Specifically, the measure clarifies that the Department of Business, Economic Development, and Tourism may submit written recommendations to "state departments," rather than to "agencies."

Your Committee received comments from the Department of Business, Economic Development, and Tourism. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has amended this measure by:

- (1) Making the recommendations of the Department of Business, Economic Development, and Tourism, subject to legislative review; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 294, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 294, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 413 Economic Development and Technology on S.B. No. 972**

The purpose of this measure is to ensure that cash-based businesses operating in Hawaii are paying their proper share of taxes by providing the Department of Taxation with resources to seek enforcement against non-compliant businesses.

Testimony in support of this measure was submitted by the Department of Taxation, Subcontractors Association of Hawaii and the Hawaii Government Employee Association. Testimony in opposition to this measure was submitted by Peter Fritz and Ray Kamikawa. Copies of written testimony may be reviewed on the Legislature's website.

Your Committee finds that cash-based businesses account for a substantial sum of money in the marketplace and capturing a small fraction of these amounts would help to off-set the sharp downturn in state tax revenues during 2009.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, as introduced, would result in a revenue gains to the State of \$11,900,000 in fiscal year 2010, \$35,600,000 in fiscal year 2011, and \$47,400,000 in fiscal year 2012, and every year thereafter. Their methodology is as follows:

- (1) Applying the Hawaii's 0.5% to the IRS's estimate of the "tax gap" of \$345 billion in 2001;
- (2) Assume 50% of the "tax gap" is due to the "cash economy;"
- (3) Assume that the Department is able to collect 0.5% in direct revenue (direct cases being worked on) and 5% in indirect revenue (deterrence effect) from the "cash economy;"
- (4) Assume ability to collect 25% in year 1, 75% year 2, and 100% year 3;
- (5)  $0.5\% \times \$345 \text{ billion} \times 50\% \times 5.5\% = \$47,400,000$ ;
- (6) \$0.5 million goes to tax administration special fund; the remainder goes to general fund.

While your Committee is skeptical that the level of revenue gains projected by Department of Taxation is as high as the Department has estimated, it is unquestioned that this State's dire economic conditions require urgent steps to collect taxes that are due and are presently being avoided.

Your Committee questioned Department of Taxation representatives closely to determine whether less intrusive methods of collecting taxes could be utilized to achieve a fair amount of the outstanding taxes due that have been provided in the department's estimates. Upon further review, your Committee believes that the four immediate actions proposed in this measure will build upon other agencies' existing regulatory framework to help Department of Taxation obtain a much higher level of collections, at lower cost and manpower, than is possible through its overly-zealous approach against small businesses.

Your Committee believes that many of the recommendations offered by testifiers, and developed further with Department of Taxation staff and other interested stakeholders, will yield the desired compliance level of tax collections that the Department seeks.

Your Committee has amended this measure by:

- (1) Coordinating the Department of Commerce and Consumer Affairs on requiring tax clearances for regulated industries;
- (2) Coordinating with federal procurement officers to require tax clearances on federal construction jobs;
- (3) Coordinating with federal immigration and unions on leads to work site compliance with income tax withholding requirements; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 972, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 972, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 414 Economic Development and Technology on S.B. No. 1153**

The purpose of this measure is to amend the permitted uses of land within the agricultural district with soil classifications of A or B to include educational facilities and agricultural appurtenances.

Testimony in support of this measure was submitted by Kamehameha Schools. Testimony in opposition of this measure was submitted by the Department of Agriculture and Hawaii Thousand Friends. Comments on this measure were submitted by the Department of Business, Economic Development and Tourism and the City and County of Honolulu Department of Planning and Permitting. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that enabling a farming operation in an agricultural district with soil classifications of A or B to provide the community and children with an educational opportunity is a tremendous benefit for our society. Your Committee also finds that preserving Hawaii's farming tradition and culture through education in a manner that does not interfere with the surrounding environment is a win-win situation.

Your Committee has amended this measure by:

- (1) Deleting educational facilities as a permitted use of the agricultural land;
- (2) Allowing educational appurtenances of a farming operation to be a permitted use on the agricultural land; and

- (3) Adding agricultural education programs conducted on a farming operation as defined in section 165-2, Hawaii Revised Statutes, for the education and participation of the general public as a permitted use of the agricultural land.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1153, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 415 Human Services on S.B. No. 1668**

The purpose of this measure is to ease the eligibility requirements for benefits under the supplemental nutrition assistance program.

Testimony in support of this measure was submitted by two members of the Kauai County Council, fourteen private organizations, and ten individuals. Testimony in opposition was submitted by the Department of Human Services. Comments were submitted by Legal Aid Society of Hawai'i. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has heard both strong support for this measure and a number of concerns about the provisions of this measure. Your Committee understands that the interested stakeholders have met to discuss alternatives, and have come to some agreement regarding amended language, which your Committee has incorporated as outlined below.

Your Committee has amended this measure by deleting its contents and replacing the contents with language to:

- (1) Amend section 346-52, Hawaii Revised Statutes, to clarify the eligibility requirements for public assistance for aged, blind, disabled, and temporarily incapacitated persons;
- (2) Amend section 346-53, Hawaii Revised Statutes, to delete references to general assistance to households without minor dependents;
- (3) Amend section 346-72, Hawaii Revised Statutes, to clarify that applications for assistance apply to assistance for aged, blind, disabled, and temporarily incapacitated households;
- (4) Repeal section 346-71, Hawaii Revised Statutes, relating to general assistance;
- (5) Authorize the Director of Human Services, with the approval of the Governor, to expend funds for public assistance through the transfer of moneys from other programs under the purview of the Director of Human Services; and
- (6) Amend the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1668, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 416 (Joint) Health and Human Services on S.B. No. 1679**

The purpose of this measure is to maintain the levels of programs determined to be essential to education, public health, and public welfare during this time of emergency, economic downturn, and unforeseen reduction in revenue that the State currently faces.

The measure attempts to accomplish this goal by appropriating moneys from the emergency and budget reserve fund to the Department of Health, the Department of Human Services, and the Department of Education.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Department of Education, Special Education Advisory Council, Hawaii Primary Care Association, Child and Family Service, National Association of Social Workers, Catholic Charities and nineteen individuals. Testimony in opposition of this measure was submitted by the Department of Budget and Finance.

Written testimony that was provided to the Committees is available for review on the Legislature's website.

Your Committees find that the emergency and budget reserve fund is a temporary supplemental source of funding for the State in times of emergency, economic downturn, or unforeseen reduction in revenues. As set forth in section 328L-3, Hawaii Revised Statutes, specific purposes for the fund include the maintaining of levels of programs determined to be essential to public health, safety, welfare, and education. Your Committees find that various proposals have been made to cut funding for critical safety net programs that your Committee would like to maintain through the emergency budget and reserve fund.

Accordingly, your Committees have amended this measure by including appropriation provisions from the emergency budget and reserve fund for the following programs and services which your Committees find are all essential to public health, safety, welfare, and education, particularly in this time of economic downturn:

- (1) Respite services;
- (2) The Healthy Start program;
- (3) Ke Ola Pono, the Chronic Disease Self-Management program, EnhanceFitness, and for the development of the Aging and Disability Resource Center;

- (4) Kupuna care;
- (5) Catholic Charities, Inc., Kapahulu and Moiliili Senior Centers, and the Waikiki Community Center;
- (6) The Developmental Disabilities Medicaid Waiver Program;
- (7) Mental health services;
- (8) The Partnerships in Community Living program;
- (9) Direct health care to the uninsured, which may include primary medical, dental, and behavioral health care;
- (10) Substance abuse treatment; and
- (11) The Healthy Aging Partnership program.

Your Committees have further amended this measure by deleting specific appropriation amounts. For fiscal guidance purposes, program appropriation amount requests are listed below. However, your Committees find that these critical safety net programs and services are funded at base levels. Though your Committees would consider funding from the emergency budget to maintain these critical services, your Committees will be exploring federal and alternative funding sources to maintain these programs.

(1) Respite services	\$500,000
(2) The Healthy Start program	\$9,000,000
(3) Ke Ola Pono, the Chronic Disease Self-Management program, EnhanceFitness, and for the development of the Aging and Disability Resource Center	\$250,000
(4) Kupuna care	\$1,025,000
(5) Catholic Charities, Inc.	\$337,000
Kapahulu Senior Center	\$100,000
Moiliili Senior Center	\$125,000
Waikiki Community Center	\$120,000
(6) The Developmental Disabilities Medicaid Waiver Program	\$7,000,000
(7) Mental health services (short fall)	\$25,000,000
(8) The Partnerships in Community Living program	\$500,000
(9) Direct health care to the uninsured	\$3,500,000
(10) Substance abuse treatment	\$1,500,00
(11) The Healthy Aging Partnership program	\$250,000

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1679, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1679, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Green, Nishihara).

**SCRep. 417 Health on S.B. No. 933**

The purpose of this measure is to allow for the temporary licensure of dentists who are employed by or under contract to the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health and Board of Dental Examiners. Testimony in opposition was received from the Hawaii Dental Association and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the recruitment of dentists to work for the Department of Health is generally limited to individuals who maintain active licenses in Hawaii to practice dentistry. This measure allows for an expansion of the potential pool to include dentists who hold a temporary license.

Your Committee further finds that the employment of temporarily licensed dentists by the Department of Health is necessary to address the critical shortage of dentists in areas of the State largely remote and rural, particularly on the neighbor islands and other disadvantaged communities. This measure also serves to expand the number of dentists who serve persons with disabilities, with mental illness, and the aging population.

Your Committee has amended this measure on the recommendation of the Hawaii Dental Association to:

- (1) Clarify that the Board of Dental Examiners may issue a community service license to practice dentistry while the person is in the employment of the Department of Health;
- (2) Clarify that the Board of Dental Examiners may issue a temporary license to practice dentistry while the person is contracted by the Department of Health to conduct dental education and training; and

- (3) Deleting the provision in current law that provides for temporary dental licensure of dentists who serve Hansen's disease sufferers, as being unnecessary for purposes of the amended measure.

Your Committee notes that, for purposes of the title of this measure, the community service license is a different sort of dental license than the temporary dental license, however the community service license is essentially temporary in nature since it is renewable biennially and authorizes practice under restricted time limits.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 933, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 418 Health on S.B. No. 130**

The purpose of this measure is to encourage individuals to implement life-saving procedures during medical emergencies involving controlled substances.

Specifically, this measure provides limited immunity from criminal drug possession charges and asset forfeiture for persons experiencing a drug overdose or who summon assistance for another person experiencing a drug overdose, when a person calls for medical assistance during a drug overdose emergency. The measure further provides that the immunity shall not apply to the person who sold the drugs to the victim.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawaii. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of the Prosecuting Attorney.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is modeled after New Mexico's 911 Good Samaritan law and recognizes that many drug-related overdoses occur in the presence of close friends. Your Committee further finds that this measure will increase the chance that an individual will survive a drug overdose because the fear of criminal liability will be diminished.

Your Committee further finds that limitations and exclusions on the immunity granted defeats the intent of the measure.

Accordingly, your Committee has amended this measure by:

- (1) Removing the provision that states that the immunity shall not apply to the person who sold the drugs to the victim; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 130, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Nishihara).

**SCRep. 419 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 884**

The purpose of this measure is to address the budget shortfall by transferring a total of \$19,000,000 from the deposit beverage container deposit special fund and the wireless enhanced 911 fund to the general fund for fiscal year 2009-2010.

Your Committees received testimony in opposition to this measure from the City and County of Honolulu Police Department, the Kauai County Police Department, the National Emergency Numbering Association, The Wireless Association, the American Beverage Association, AT&T, and Reynolds Recycling. Comments on this measure were submitted by the Department of Budget and Finance, the Tax Foundation of Hawaii, and Intrado, Inc.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that, due to the recent Hawaii Supreme Court decision in *Hawaii Insurers Council v. Lingle* regarding the transfer of funds from the insurance regulation fund to the general fund, the Legislature may be limited to transferring funds that are considered general tax revenue and not fees.

Your Committees further find that the Attorney General issue a formal opinion as to whether or not the balances in the wireless enhanced 911 fund and the deposit beverage container deposit special fund are considered regulatory fees or general tax revenues, and whether monies from these funds may be transferred to the general fund.

In addition, your Committees find that, in light of the amount of excess funds in the deposit beverage container deposit special fund, authorizing the Governor to set reasonable deposit beverage container fees will provide an opportunity to save taxpayers money.

Your Committees have amended this measure by:

- (1) Deleting sections 2 and 5 pertaining to the wireless enhanced 911 fund; and
- (2) Amending section 324G-102(d), Hawaii Revised Statutes, by deleting the one cent and one and a half cent deposit beverage container fee and authorizing the governor to set reasonable deposit beverage container fees.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 884, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 884, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Hemmings). Excused, 2 (Nishihara, Sakamoto).

**SCRep. 420 (Joint) Commerce and Consumer Protection and Economic Development and Technology on S.B. No. 1352**

The purpose of this measure is to ease the backlog in the recording and review process by removing time shares from Land Court registration and instituting electronic filing of time shares in the Bureau of Conveyances.

Your Committees received testimony in support of this measure from Hawaii Bankers Association, Hawaii Escrow Association, Hawaii Association of Realtors, American Resort Development Association, Marriot Vacation Club International, Inc., Hilton Grand Vacations, Wyndham Worldwide, PAHIO Development, Starwood Vacation Ownership, and one private citizen. Testimony in opposition to this measure was received from three private individuals and in the form of a petition signed by twenty-two individuals. Testimony with comments was received from the Department of Land and Natural Resources and Hawaii Government Employees Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that, due to the nature of time share ownership, it is appropriate to exclude time shares from the Land Court system. The Land Court system was designed to process single, consecutive ownership interests and not multiple, simultaneous interests in a single parcel of land. Inclusion of time shares in Land Court burdens the system and is one cause of the current backlog. Your Committees are sympathetic to concerns that removing time shares will lead to a loss of revenue for Land Court; however, it is not in the best interest of the Land Court or the State to preserve an inefficient process merely for the sake of a minor revenue stream that can be recovered in the form of transaction fees or otherwise. It is the intent of your Committees that the Department of Land and Natural Resources review its fee structure to ensure that there is no loss of revenue to the Department.

Your Committees are also sympathetic to the concerns over the change to existing registration procedures voiced by employees of the Bureau of Conveyances. Your Committees are persuaded that modernization of the registration and recording process is essential to solve the problem of the current backlog and to prevent a similar situation in the future. Your Committees are confident that the employer-employee working group established by this measure to find solutions to implementation and revenue issues will alleviate these concerns.

Your Committees have amended this measure by:

- (1) Establishing an employer-employee working group in the Bureau of Conveyances to facilitate the resolution of issues involved in the change in Land Court procedure and to make recommendations regarding the recovery of lost revenue to the Land Court contained in this measure;
- (2) Empowering the Department of Land and Natural Resources to charge a \$5 transaction fee for each recording of the Bureau of Conveyances and of the Assistant Registrar of the Land Court from July 1, 2009 through June 30, 2011;
- (3) Raising the ceiling of the Bureau of Conveyances Special Fund by \$650,000 to support the purchase of hardware, system design, and staff training with the goal of implementing full electronic filing;
- (4) Deferring the effective date of section 2 of this measure to July 1, 2010;
- (5) Deferring the effective date of the rest of the measure, with the exception of section 17 (which takes effect upon approval) to July 1, 2015, to provide for further discussion; and
- (6) Making technical, nonsubstantive changes to section one in order to accurately reflect the purpose of this Act.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1352, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1352, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Hee, Ihara, Slom).

**SCRep. 421 Commerce and Consumer Protection on S.B. No. 449**

The purpose of this measure is to protect patient prescription information confidentiality by prohibiting the sale of prescriber-specific prescription drug data.

Your Committee received testimony in support of this measure from Hawaii Insurers Council and one private citizen. Testimony in opposition to this measure was received from the Department of Health, the Department of Human Services, Pharmaceutical Research and Manufacturers of America, and Med-QUEST Division. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is essential to protect private patient medical information from sale to pharmaceutical companies motivated by profit rather than by the interests of patients. Your Committee notes that the cost of marketing by pharmaceutical companies is one of the main reasons why prescription drug prices are so much higher in the United States than in the rest of the developed world, which restricts such activity.

Your Committee heard the concerns of the pharmaceutical industry that restricting the purchase of patient information will negatively impact the industry's ability to disseminate drug safety information and finds those concerns to be without merit. Your Committee also heard concerns from the Med-QUEST Division that enactment of this measure would have a negative impact on the

Hawaii Rx Plus program. Your Committee notes that Hawaii RX Plus, a discounted drug program, was never contemplated to derive discounts from fees generated by selling prescription user information. Your Committee believes that providing prescriber and user information to pharmaceutical companies adds to the overall cost of prescription drugs and thus negatively impacts all of the residents in the State who struggle with the high cost of needed medications.

Your Committee has amended this measure by:

- (1) Narrowing the scope of the prohibition to apply only to pharmacies licensed in this State and to exclude mail order or internet pharmacies not subject to state licensure;
- (2) Applying the prohibition to medical doctors licensed to practice in this State;
- (3) Delegating enforcement authority to the Regulated Industries Complaints Office;
- (4) Deferring the effective date of this Act to July 1, 2015; and
- (5) Making nonsubstantive, technical changes for clarity and accuracy in section one.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 449, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 422 Health on S.B. No. 169**

The purpose of this measure is to establish the Hawaii Health Corps, a program that will provide stipends for physicians and dentists who agree to provide a minimum of three years of service in health professional shortage areas of the State.

Testimony in support of this measure was submitted by the State Council on Developmental Disabilities, Hawaii Medical Services Association, Hawaii Primary Care Association, Healthy Mothers Healthy Babies, and the Hawaii Dental Hygienists' Association. Testimony in opposition of this measure was submitted by the Department of Health. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that changes in demographics, the delivery of health care services, and the escalating costs of education have resulted in severe shortages of health care professionals. A poor distribution of health care professionals has resulted in a surplus of these professionals in some areas of the State and a shortage in other parts of the State, particularly in the more rural areas. The rural shortage areas often require more services because the health care needs are greater due to socio-economic or geographic circumstances. The shortage of health care professionals is compounded as the salary potential for areas of shortage is often not as favorable when compared to non-shortage areas. This results in many health care practitioners being financially unable to serve in those shortage areas.

This measure is intended to alleviate the problem of health professional shortage areas by establishing a Hawaii Health Corps Program to encourage physicians and dentists to serve in areas of the State where there is a shortage of health care professionals.

Your Committee has amended this measure by substituting a similar measure, Senate Bill No. 416, relating to the Hawaii health corps program. Your Committee has retained the provisions of Senate Bill 169 (2009), relating to Hawaii Health Corps first responder service obligation; Hawaii health corps special fund; stipends; and an appropriation.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 169, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 169, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 423 (Majority) Health on S.B. No. 1673**

The purpose of this measure is to ensure the viability of the Hawaii Health Systems Corporation by:

- (1) Authorizing any of the regional systems or individual facilities of the Hawaii Health Systems Corporation to transition into a new legal entity;
- (2) Requiring each regional system board and each community hospital under the jurisdiction of the Corporation to collaborate with community health centers within their respective geographic jurisdictions to maximize funding from the State and federal governments;
- (3) Amending the notification provision to require that the Corporation and each regional system board notify the Speaker of the House of Representatives, the President of the Senate, and Chairperson of the respective subject matter committee for health in each house of the Legislature within thirty days of any substantial reduction or elimination of direct patient care services.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation, Corporate Board of Directors; the Hawaii Health Systems Corporation East Hawaii Region; the Hawaii Government Employees Association; the Hawaii Primary Care Association; Maui Memorial Medical Center; West Kauai Medical Center; and the Association for Improved Healthcare on Maui. Testimony in opposition of this measure was submitted by the State Procurement Office.

Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that the Hawaii Health Systems Corporation provides critical health care safety net services to our communities across the State. Failure of the Hawaii Health Systems Corporation is not an option, as it would shut down access to emergency and other critical services.

Your Committee further finds that comprehensive restructuring of the Hawaii Health Systems Corporation is imperative to its success. Decisive action is required in many areas to ensure that the Hawaii Health Systems Corporation survives in the short-term, and can thrive and prosper over time.

Accordingly, your Committee has amended this measure by:

- (1) Removing language that amended the notification requirement for substantial reductions in direct patient care services;
- (2) Inserting language from SB1139 (2009) that:
  - (A) Authorizes the regional system boards and the Hawaii Health Systems Corporation board to reduce or eliminate direct patient care services unless legislation is enacted that includes an appropriation of moneys sufficient to fund the mandated services; and
  - (B) Requires an initial determination to be made as to critical and emergency services which shall not be subject to reduction or elimination.
- (3) Inserting language from SB44 (2009) that:
  - (A) Requires the Department of Health, on July 1, 2009, to assume the total amount of all liabilities and debts or other obligations of the Hawaii Health Systems Corporation that had been accrued up to June 30, 1996, by the community hospitals while they were operating within the Division of Community Hospitals of the Department of Health;
  - (B) Requires the Hawaii Health Systems Corporation to bear the sole responsibility for assuming all liabilities and debts or other obligations accrued beginning on July 1, 1996, and thereafter, by the community hospitals operating within the Hawaii Health Systems Corporation; and
  - (C) Establishes that the Hawaii Health Systems Corporation shall bear sole responsibility for making all appropriate employer payments into funds of the Employees' Retirement System under chapter 88, Hawaii Revised Statutes beginning on July 1, 1996, and continuing thereafter.
- (4) Inserting language from SB1140 (2009) that requires commercial health plans to provide a minimum reimbursement level of no less than one hundred and one per cent of the costs for all services provided to plan beneficiaries by critical access hospitals;
- (5) Adding a new section to chapter 89, Hawaii Revised Statutes, regarding special negotiating authority of Hawaii Health Systems Corporation that states:
 

“Notwithstanding any law to the contrary, including section 89-6(d), the Hawaii health systems corporation or any of the regional boards, as a sole employer negotiator, may negotiate with the exclusive representative of any appropriate bargaining unit and execute memorandums of understanding for employees under its control to alter any existing or new collective bargaining agreement on any item or items subject to section 89-9”;
- (6) Inserting language from SB941 (2009) that authorizes the Hawaii Health Systems Corporation to conduct Federal Bureau of Investigations criminal history record checks through the Hawaii Criminal Justice Data Center on employees, applicants, current or prospective contractors, providers, or volunteers;
- (7) Changing the effective date to July 1, 2050 to encourage further discussion on the matter; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1673, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hemmings). Excused, none.

**SCRep. 424 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 1204**

The purpose of this measure is to grant tax credits to small businesses in the amount equal to the lesser of fifty per cent of premiums or \$500 per employee for the purchase of long-term care insurance for its employees; where “small business” means a for-profit enterprise consisting of fewer than one hundred full-time or part-time employees.

Testimony in support of this measure was submitted by the Chamber of Commerce of Hawaii, the Association of Insurance and Financial Advisors, the Kokua Council, the Policy Advisory Board for Elder Affairs, and one individual. Testimony in opposition to this measure was submitted by the Department of Taxation. Comments were submitted by the American Council of Life Insurers and the Tax Foundation of Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature’s website.

Your Committees find that persons sixty years of age and older presently account for nearly one-fifth of the State’s population, and nearly one-third of these people are expected to have functional disabilities. Given these facts, your Committees are concerned that long-term care needs and associated costs will increase.

Your Committees understand that as the cost of doing business in Hawaii continues to rise, small business employers must make prudent decisions regarding the benefits they provide to employees. Your Committees find that the tax credits proposed by this

measure offer an innovative solution to the problem of rising long-term care costs by providing an incentive to small businesses, which employ the bulk of all workers in Hawaii, to provide long-term care insurance to their employees.

Your Committees agree with the comment by the American Council of Life Insurers for clarification of the small businesses to which this measure applies.

Accordingly, your Committees have amended this measure as follows:

- (1) By revising the definition of "small business" to mean a for-profit enterprise that is a corporation, partnership, limited liability company, sole proprietorship, or other form of business entity having fewer than one hundred full-time or part-time employees, and making conforming amendments to the new section proposed by this measure; and
- (2) By making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1204, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1204, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Espero).

**SCRep. 425 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 1110**

The purpose of this measure is to implement the long-term care partnership program, allowing individuals who have exhausted their private long-term care insurance coverage to qualify for Medicaid coverage for continued long-term care prior to exhausting their financial resources.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Association of Insurance and Financial Advisors, and one public citizen. Testimony in support, with comments, was submitted by the American Council of Life Insurers. Testimony in opposition to the measure was submitted by the Department of Human Services. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is designed to encourage the purchase of private long-term care insurance, especially among individuals with moderate incomes. Your Committees further find that this measure is intended to incur savings both to Medicaid, by delaying or preventing spend-down to Medicaid eligibility, and to individuals, by having them rely on insurance policies to cover long-term care expenditures that would otherwise be paid by personal income and savings. Your Committees also find that both the Department of Human Services and the American Council of Life Insurers have submitted comments and suggested amendments. Your Committees would like to encourage both of these entities to work together to reach a consensus on proposed revisions to this important measure.

Your Committees have amended this measure by making technical, nonsubstantive stylistic changes.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1110, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1110, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Espero).

**SCRep. 426 Economic Development and Technology on S.B. No. 367**

The purpose of this measure is to amend the thrill craft and parasailing activities law by:

- (1) Deleting the provision that imposes a maximum permit term of twenty years and provides for the permit to be offered at public auction thereafter; and
- (2) Deleting the requirement that all new commercial use and operator permits issued after June 18, 1996, be issued at public auction.

Testimony in support of this measure was submitted by the Ocean Tourism Coalition, the Winners Camp Hawaii Study Tours, Rent PWC's, Hawaiian Ocean Promotions, Aloha Jetski, Aloha Ocean Sports, Hawaiian Parasail, Jet Ski's Plus, Seabreeze Parasailing, and one hundred and twenty-two concerned individuals. Comments on this measure were submitted by the Department of Land and Natural Resources. Written testimony presented to your Committee is available for review on the Legislature's website.

Your Committee finds that the twenty-year limit and the requirement that permits be subject to public auction at the end of the twenty-year term, on permits for commercial operation of thrill craft and parasailing activities may be discriminatory and unreasonable to small business owners who have invested significant capitalization into the business to ensure safe operations. Thrill craft and parasailing are established tourism activities which require a level of expertise to be exercised by companies under permit.

Your Committee has also amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 367, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 367, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 427 Labor on S.B. No. 1271**

The purpose of this measure is to require State Executive Department and State Legislative Branch employees who are exempt from chapter 76, Hawaii Revised Statutes, relating to civil service laws, to use or donate accumulated and accrued vacation allowance prior to discharge, or to forfeit remaining vacation allowance and any compensation in lieu of retaining vacation allowance upon discharge. If enacted, this measure would sunset on December 31, 2010.

Testimony in opposition to this measure was submitted by the Governor's office, two state agencies, and one organization. One public citizen provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that with the economic downturn affecting the state budget, a comprehensive reexamination of the structure of state government is necessary to ensure that all available avenues have been explored to accomplish more with fewer resources.

Your Committee has amended this measure by:

- (1) Amending references to "exempt employees" of the executive department or the legislative branch to "exempt managerial employees"; and
- (2) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1271, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 428 (Majority) Labor on S.B. No. 63**

The purpose of this measure is to amend the temporary total disabilities law to, among other things:

- (1) Require an employer to pay and continue to pay temporary total disability benefits to an injured worker, regardless of whether the employer controverts the worker's right to the benefits, until certain conditions are met and until ordered by the Director of Labor and Industrial Relations or until the employee's treating physician determines that the employee is able to resume work;
- (2) Allow employers to request credits against future benefits payments for payments already made when the Director issues a decision that benefits should have been discontinued after a certain date;
- (3) Include attorney's fees and costs to the employee for the enforcement of the temporary total disabilities provisions of section 386-31, Hawaii Revised Statutes;
- (4) Allow an injured employee to receive benefits equal to seventy per cent of the employee's average weekly wage up to the maximum weekly benefit rate in the year of injury if payment of benefits do not begin with thirty days of the date of injury; and
- (5) Require the Director of Labor and Industrial Relations to convene a working group to submit recommendations and proposed legislation to the Legislature addressing concerns raised by this measure.

Testimony in support of this measure was submitted by three organizations. Testimony in opposition to this measure was submitted by two state agencies, one county agency, and eight organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that injured workers are unjustly burdened when they are injured at work and their employers terminate temporary total disability benefits without good cause, forcing workers to return to work prematurely or suffer physically and financially.

Your Committee further finds that the current system allowing insurers to stop payments while cases are pending creates an additionally unfavorable situation for injured workers when a backlog of cases increases at the Department of Labor and Industrial Relations. If insurers and employers are required to pay benefits even while cases are pending, they may be less motivated to maximize the number of cases they dispute.

Your Committee notes that employers have experienced an approximately sixty per cent net decrease in workers' compensation insurance premiums since 2005. Accordingly, your Committee believes that employees should also gain benefits and protections to minimize the physical and financial hardship incurred by an injured employee and the employee's family.

Your Committee acknowledges the concern over employers and insurers paying temporary total disability benefits beyond what is later deemed necessary. Your Committee notes that this measure allows employers to receive credits for any benefits paid but later found to be unnecessarily paid. Furthermore, in most workers' compensation cases, an injury that prevents an employee from returning to work is serious enough that the employee will also sustain some permanent partial disability, for which payments the employer or insurer would also be responsible. In those cases, any payments by the employer or insurer later deemed to be unnecessary temporary total disability payments would be applied as advanced permanent partial disability payments to the employee.

Your Committee is concerned with the timing of the working group's submission of recommendations to the Legislature and its impact on the effective date of the other provisions of this measure. Your Committee believes that the effective date should be clarified as the Legislature further debates this matter.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 63, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 63, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 429 Labor on S.B. No. 1622**

The purpose of this measure is to set minimum state standards to protect all employees, with the limited exception of executive, administrative, or professional employees, who otherwise would be displaced when their employer sells the business to a prospective employer.

The measure provides as follows:

- (1) Section 2 creates a ninety-day Transitional Employment Period to provide protection to employees in the event of a divestiture of a covered establishment and requires the acquiring employer, with some exceptions, to retain the incumbent employees;
- (2) Section 3 amends section 394B-1, Hawaii Revised Statutes, to include divestiture within the findings and purposes of the Act;
- (3) Section 4 amends section 394B-2, Hawaii Revised Statutes, to expand the definition of covered establishment to include businesses that employ twenty to fifty employees in the preceding twelve-month period and to amend the definition of employees, for purposes of the Transitional Employment Period, to include all but the limited group of executive, administrative, and professional employees; and
- (4) Section 5 amends section 394B-12, Hawaii Revised Statutes, to describe the penalties specific to violations related to the Transitional Employment Period.

Your Committee received testimony in support of this measure from The Hawaii State Democratic Women's Caucus; ILWU Local 142; International Brotherhood of Electrical Workers; Laborers' International Union of North America, Local 368; Pride at Work Hawaii; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; Hawaii State AFL-CIO; and Unite Here Local 5. Testimony in opposition was received from the Department of Labor and Industrial Relations; Hawaii Restaurant Association; National Federation of Independent Business in Hawaii; and The Chamber of Commerce of Hawaii.

The Transitional Employment Period recognizes the all too frequent sales of businesses in Hawaii that adversely impact the stability of our workforce and create an additional toll on our economy and unemployment system. These mass terminations due to a business divestiture create problems not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues. Where the purchaser of the business intends to provide a similar level of products and services, the new employer is required to retain from the existing workforce the number of employees needed for the new operation based on seniority for at least the first 90-days of business.

The measure addresses the situation where an employer intends to down size operations and by applying seniority within the classifications. If the business expands in that period the new employer will hire from the seniority list based on operational needs. The transition period provides the new employer with qualified and knowledgeable workers who have rapport and provide continuity with the prior customer base that the new business will seek to maintain. The employer is able to terminate employees for cause and release employees after the ninety-day period if the performance review shows unsatisfactory work. As noted in testimony in favor of the measure these amendments to Hawaii's Dislocated Workers Act are needed to revitalize our economy and increase confidence in the workforce and in the consumer market. Since the measure does not, as voiced by some, dictate that a buyer has to retain the same products or services, it would not have the adverse impact referenced in some of the testimony. The experience among those testifying is that transitions of this nature in the past done voluntarily have provided the benefits anticipated by this measure.

Your Committee does understand that the transition employment period may provide specific concerns to the smaller businesses in Hawaii. Accordingly, your Committee has amended this measure as follows:

- (1) By retaining the existing definition of covered establishment to businesses with fifty employees or more; and
- (2) By correcting references to the Code of Federal Regulations in defining persons employed in executive, administrative, and professional capacities.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1622, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1622, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 430 Labor on S.B. No. 1122**

The purpose of this measure is to amend various sections of Hawaii Revised Statutes to comply with Act 253, Session Laws of Hawaii 2000, which places restrictions on the creation of civil service exempt positions and requires an annual review of exempt positions to determine whether they should be converted to civil service positions.

Testimony in support of this measure was submitted by one organization and three individuals. Testimony in opposition to this measure was submitted by nine state agencies. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that despite the enactment of Act 253, Session Laws of Hawaii 2000, few exempt positions have been converted to civil service positions. According to the Hawaii Government Employees Association, a review submitted to the 2009 Legislature reported that only thirty-seven exempt positions under section 76-16(b)(17), Hawaii Revised Statutes, were converted to civil service between November 1, 2007 and October 31, 2008.

Your Committee notes the concern with this measure's amendment to section 76-16(b)(17), Hawaii Revised Statutes, regarding the repeal of exempt positions every three years. Your Committee believes that this issue merits further debate by the Legislature, as this measure is a work in progress intended to advance the timely conversion of exempt positions to civil service positions.

Your Committee has amended this measure:

- (1) By amending the effective date to July 1, 2050 for the purpose of encouraging further discussion; and
- (2) By making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1122, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 431 (Majority) Labor on S.B. No. 1621**

The purpose of this measure is to implement and promote the right to organize for the purpose of collective bargaining as recognized in Article XIII of the Hawaii State Constitution, as noted in section 1 of the measure.

The proposed changes in chapters 377 and 380, Hawaii Revised Statutes, are intended to strengthen and expand the middle class work force in Hawaii through appropriate changes to our collective bargaining laws. Specifically, the measure provides as follows:

- (1) Sections 2, 4, and 5 are tailored to the 2008 "Employee Free Choice Act" before Congress. Section 2 provides for mediation and arbitration of initial agreements. Section 4 provides for card check recognitions. Section 5 provides for employee remedies, including back pay, interest, costs, attorney's fees and liquidated damages;
- (2) The first part of section 3, is intended to create a "union representation privilege" to protect the functions of the union as an exclusive bargaining representative necessary to allow the union to perform its appropriate role in negotiations and contract enforcement;
- (3) The second part of section 3, is intended to afford to the union the right to sue to collect unpaid union dues and agency fees for union representational activities in the circuit court. It provides the necessary legal authority to authorize such actions to collect union dues and agency fees uniformly;
- (4) The third part of section 3, is intended to protect union members and others participating or interested in a labor dispute who engage in lawful protected activities in the context of a labor dispute within the meaning of section 380-13(3), Hawaii Revised Statutes; and
- (5) Section 6 is intended to clarify that lawful concerted activities shall not result in civil torts against labor organizations or its members.

Your Committee received testimony in support of this measure from ILWU Local 142; Gordon Lafer; Hawaii State AFL-CIO; Laborers International Union of North America, Local 368; International Brotherhood of Electrical Workers; Pride at Work Hawai'i; Hawaii Building and Construction Trades Council, AFL-CIO; Ironworkers Stabilization Fund; Hawaii Government Employees Association; International Organization of Masters, Mates & Pilots; Marine Engineers' Beneficial Association, AFL-CIO; American Income Life Insurance Company.

Testimony in opposition was received from the Department of Labor and Industrial Relations; State of Hawaii Department of Human Resources Development; Building Industry Association - Hawaii; Judy Engkabo; Hawaii National Federation of Independent Business in Hawaii; Engineering Solutions, Inc.; Larry Jeffs; Society for Human Resource Management; Hawaii Crop Improvement Association; The Chamber of Commerce of Hawaii; Associated Builders and Contractors Hawaii; Roy Ogawa; General Contractors Association of Hawaii; Pioneer Hi-Bred International, Inc.; State of Hawaii Department of the Attorney General; State of Hawaii Department of Agriculture; Syngenta Hawaii.

Sections 2, 4, and 5 of the bill are modeled after the federal Employee Free Choice Act (H.R. 800 and S. 1040), presently pending in the United States Congress, that would amend the National Labor Relations Act to establish an efficient system to enable employees to form, join, or assist labor organizations. Your Committee is in agreement with the principles stated in Congressional Report No. 110-23 to the federal bill on the vital role of labor unions to the creation of the American middle class, the nature of the attacks on worker rights experienced in recent decades that has reduced the percentage of organized workers in the private sector to eight percent (8%), and the economic consequence which has resulted. The Hawaii experience is not substantially different than what is described in the Congressional report. As the opposition to these sections of the bill noted, the use of voluntary recognition of a labor organization with majority support from the workers is not unprecedented. This bill recognizes that a secret ballot alone is not always sufficient to assure fair union elections and the present system, which does not have the numerous protections and safeguards developed for political elections, does not always result in a union representation election that reflects the will of the employees. The will of the employees is protected because the Board is required to verify that in fact a majority of employees do support union representation. The additional remedies in section 5 is necessary in light of the recent Supreme Court ruling in Preble v. Board of Trustees of Employees' Retirement System of State of Hawaii, 111 Hawaii 498, 505-06, 143 P.3d 37, 44-45 (2006), which found similar or analogous statutory language i.e., "affirmative action" insufficient to allow for attorney's fees. The other concerns expressed by the opponents to the bill can be addressed through the procedures the Hawaii Labor Relations Board will establish through rule-making. With respect to mediation and

arbitration of first contracts, your Committee finds there are significant impediments in obtaining a first agreement. Providing for mediation and arbitration to obtain a first contract if the parties are unsuccessful in achieving an agreement in a timely manner advances the objective of the Act to promote labor stability.

The first part of section 3, adding a new section to chapter 380, Hawaii Revised Statutes, recognizes the unique role of the union and its duty of fair representation solely to its members. Your Committee found testimony in support of this section compelling and concludes that a privilege to protect confidential information and work product documents obtained by a union in the course of its duties as exclusive bargaining representative is warranted. While the current rules of the court provide some protection of a union's work product, your Committee finds that a specific, clear directive is needed to recognize the representational privilege. Opponents to the bill argue that a reciprocal privilege is not provided to employers, however, this ignores the unique status the union holds as the exclusive bargaining representative with a duty to fairly represent the employee. Without this protection a union is faced with disclosing confidential communications against the interest of the member to whom it holds a duty to represent. Claims that the bill usurps the power of the courts and other forums to decide evidentiary questions ignore the existence of several rules that establish privileges binding on these forums. The Department of Attorney General's concerns appear to be premature and are more appropriately addressed through the adjudicatory process which have in place adequate safeguards in the legal process.

The second part of section 3 adding a new section to chapter 380, Hawaii Revised Statutes, allows employee organizations a means of obtaining civil relief to collect dues from members and agency fee payers equally in the circuit court. No opposition was raised as to this section of the bill and your Committee agrees with the reasoning as contained in the testimony in favor of this section.

The last part of section 3 adding a new section to chapter 380, Hawaii Revised Statutes, provides needed protection for unions, their agents, and members who engage in lawful concerted activities in a labor dispute as defined in section 380-13(3), Hawaii Revised Statutes. The bill establishes an adequate balance of interest between private property rights and the exercise of the State's constitutional right to organize for the purpose of collective bargaining under Article XIII of the Hawaii Constitution.

Section 6 clarifies and protects lawful concerted activities in light of the developing civil tort law. The protections afforded by this bill are consistent with constitutionally protected activities of private and public employees under Article XIII.

Your Committee has amended this bill by amending the effective date to July 1, 2050, to allow for further discussion on this measure. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1621, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Bunda). Noes, 1 (Slom). Excused, none.

**SCRep. 432      Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 995**

The purpose of this measure is to allow the State to most effectively and responsibly make progress toward meeting part of its constitutional, statutory, and moral obligation to native Hawaiians by addressing the additional amount of income and proceeds that the Office of Hawaiian Affairs is to receive from the public trust pursuant to Article XII, sections 4 and 6, of the Hawaii Constitution, for the period from November 7, 1978 to July 1, 2008.

Specifically, this measure:

- (1) Conveys certain parcels of real property in fee simple to the Office of Hawaiian Affairs; and
- (2) Supports the conveyance with appropriate provisions, such as exempting all the conveyed lands from the definition of "public lands" in chapter 171, Hawaii Revised Statutes, and exempting the conveyed lands located in Kakaako from the authority of the Hawaii Community Development Authority under chapter 206E, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by one state agency, seven organizations, and twenty-seven public citizens. One state agency and one organization supported the intent of this measure. One state agency submitted comments, and testimony in opposition was submitted by three public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

In 1978, the State Constitution was amended to include article XII, sections 4 and 6 that, among other things, established the Office of Hawaiian Affairs and its Board of Trustees. Sections 4 and 6 of article XII of the State Constitution provide:

**"Section 4.** The lands granted to the State of Hawaii by Section 5(b) of the Admission Act and pursuant to Article XVI, Section 7, of the State Constitution, excluding therefrom lands defined as "available lands" by Section 203 of the Hawaiian Homes Commission Act, 1920, as amended, shall be held by the State as a public trust for native Hawaiians and the general public.

**Section 6.** The board of trustees of the Office of Hawaiian Affairs shall exercise power as provided by law: to manage and administer the proceeds from the sale or other disposition of the lands, natural resources, minerals and income derived from whatever sources for native Hawaiians and Hawaiians, including all income and proceeds from that pro rata portion of the trust referred to in section 4 of this article for native Hawaiians; to formulate policy relating to affairs of native Hawaiians and Hawaiians; and to exercise control over real and personal property set aside by state, federal or private sources and transferred to the board for native Hawaiians and Hawaiians. The board shall have the power to exercise control over the Office of Hawaiian Affairs through its executive officer, the administrator of the Office of Hawaiian Affairs, who shall be appointed by the board."

By Act 273, Session Laws of Hawaii 1980, the Legislature provided that "[t]wenty per cent of all funds derived from the public land trust, . . . shall be expended by the office of Hawaiian affairs . . . for the purposes of this chapter." This legislative directive has led to a series of lawsuits concerning the practical application of the twenty per cent apportionment the Legislature established to implement article XII, sections 4 and 6, of the Constitution of the State of Hawaii.

In *Trustees of the Office of Hawaiian Affairs v. Yamasaki*, 69 Haw. 154 (1987), the Hawaii State Supreme Court concluded that the issue of how the apportionment is formulated is a political question for the Legislature to determine.

In response to the *Yamasaki* decision, the Legislature enacted Act 304, Session Laws of Hawaii 1990, to clarify the extent and scope of the twenty per cent portion.

On September 12, 2001, the Hawaii State Supreme Court ruled in *Office of Hawaiian Affairs v. State of Hawaii*, 96 Haw. 388, that Act 304 was effectively repealed by its own terms, so that once again, it was necessary for the Legislature to specify the apportionment to be managed and administered by the Office of Hawaiian Affairs.

In its decision, the Hawaii State Supreme Court affirmed *Yamasaki*, observing:

[T]he State's obligation to native Hawaiians is firmly established in our constitution. *How* the State satisfies that constitutional obligation requires policy decisions that are primarily within the authority and expertise of the legislative branch. As such, it is incumbent upon the legislature to enact legislation that gives effect to the right of native Hawaiians to benefit from the ceded lands trust. See Haw. Const. art. XVI, §7. . . [W]e trust that the legislature will re-examine the State's constitutional obligation to native Hawaiians and the purpose of HRS § 10-13.5 and enact legislation that most effectively and responsibly meets those obligations." *Office of Hawaiian Affairs v. State of Hawaii*, 96 Haw. at 401.

In reviewing the entire history of the issue of the State's obligation to transmit to the Office of Hawaiian Affairs a part of the income and proceeds from the public land trust, your Committee finds that the issue has evolved into two principal aspects, one looking to the past, the other looking to the future.

With regard to the past, your Committee finds that in addition to the amounts of income and proceeds previously paid to the Office of Hawaiian Affairs, further resources should be provided to the Office of Hawaiian Affairs that represent a re-examination and final determination by the Legislature for the period between November 7, 1978 (the ratification date of article XII, sections 4 and 6 of the Constitution of the State of Hawaii), and July 1, 2009, with regard to income and proceeds from the lands in the public trust referred to in article XII, section 4, of the Hawaii Constitution.

Your Committee further finds that the parcels of real property conveyed to the Office of Hawaiian Affairs should provide a revenue stream for the Office of Hawaiian Affairs, but also should be culturally significant parcels. Parcels of real property such as Kahana Valley, Mauna Kea, and state-owned fish ponds have a minimum tax assessed value but are historically and culturally significant for native Hawaiians. Your Committee believes that stewardship of native Hawaiian-culturally significant areas appropriately belongs to the Office of Hawaiian Affairs.

Your Committee recommends that future discussions of the parcels included by your Committee involve the communities affected.

Your Committee notes that the inclusion of these parcels results from discussions with community members during the past year. In addition, according to the recollection of the Chair, a former Chairperson of the Board of Trustees of the Office of Hawaiian Affairs, several of the parcels that will provide a revenue stream were included in past negotiations between the Office of Hawaiian Affairs and the Attorney General. Thus, your Committee believes the included parcels represent a considered and fair compromise of the parties.

Your Committee recognizes that in Act 340, Session Laws of Hawaii 1993, the Legislature placed the island of Kahoolawe, a place of extraordinary cultural significance, into the public land trust under the condition that the State would eventually transfer the management and control of Kahoolawe to a future sovereign native Hawaiian entity upon its recognition by the United States and the State. Similarly, your Committee finds that Mauna Kea is an area of extraordinary cultural significance to native Hawaiians and requires special recognition, management, and control of its natural and cultural resources and should be held in trust for the recognized sovereign native Hawaiian entity.

In Hawaiian cosmology, Mauna Kea represents the *piko* of the island of Hawaii, which is the first-born island child of Wakea and Papahānaumoku, a product of the union of the sky and the earth. The relationship of this significant cultural sight to Hawaiians was evidenced by Queen Emma (the widow of Kamehameha IV) who in 1881 traveled to "the top of Mauna Kea to bathe in the waters of Waiau . . . to cleanse at the *piko* of the island." Kanahale and Kanahale 1997. Lake Waiau, the only high elevation lake in the State, is also considered a traditional cultural property and a source of sacred water used in healing and worship practices. The Mauna Kea Adze Quarry and Lake Waiau are important and unique cultural and geomorphic features found in the Mauna Kea Ice Age Natural Area Reserve and thus should be placed among those lands requiring native Hawaiian stewardship under the Office of Hawaiian Affairs.

Furthermore, your Committee understands both from the general public and from the Auditor that the State has failed to adequately protect Mauna Kea from cultural and environmental degradation and your Committee is mindful of the need for thoughtful and well-organized management. This measure will ensure that the recent decision of the Circuit Court of the Third Circuit in Civil No. 04-1-397, requiring the Board of Land and Natural Resources to take measures to protect and preserve the summit area of Mauna Kea through appropriate management plans to promote long-term sustainability, is enforced regardless of ownership.

Similar to the transfer of management and control of Kahoolawe to a future sovereign native Hawaiian entity upon its recognition by the United States and the State, your Committee finds that the same native Hawaiian sovereign entity should receive the lands transferred by this measure, including Mauna Kea.

Your Committee further finds that the Legislature acknowledged in Act 254, Session Laws of Hawaii 1993, that many native Hawaiians believe that lands taken without the consent of the native Hawaiian people should be returned and if not, then monetary compensation should be made. Therefore, this measure is a legislative response to the taking of the Hawaiian Kingdom without the consent or any compensation to the native Hawaiian people.

Your Committee has amended this measure by:

- (1) Deleting the dollar amount and leaving it unspecified for determination by the Committee on Ways and Means;

- (2) Amending the date of settlement to include the period between November 7, 1978 and July 1, 2009;
- (3) Deleting the conveyance of Hilo Banyan Drive, and parcels of Kakaako makai, as identified by the tax map keys 2-1-058:41 and 2-1-058:110;
- (4) Replacing the conveyances removed with the following parcels:
  - (A) Kahana Valley and Beach Park: (TMK: 5-2-01:1, 5-2-02: all, and 5-2-5:1 and 21 as described in Act 5, Sessions Laws of Hawaii 1987) and (TMK: 5-2-05:3);
  - (B) La Mariana and submerged lands: (TMK: 1-2-23:52);
  - (C) Accreted peninsula bordered by Kalihi Stream and Moanalua Stream: (TMK: 1-1-3:3);
  - (D) Heeia wetlands or fishpond: (TMK: 4-6-05:01);
  - (E) Mauna Kea: Mauna Kea Scientific Reserve: (TMK: 3-4-4-015: 9 and 12); Mauna Kea Ice Age Natural Area Reserve: a 143.5 acre square parcel around Puu Pohaku, located to the west of the summit area and a 3,750 acre triangular-shaped parcel extends from approximately 10,070 ft (3,069 m) up to 13,230 ft (4,033 m) at the upper tip of the parcel; and
  - (F) State-owned fishponds statewide: as identified in the Hawaiian Fishponds: Fishpond Database developed pursuant to a grant/cooperative agreement from the National Oceanic and Atmospheric Administration, Project No. R/AQ-60 (sponsored by the University of Hawaii Sea Grant College Program, SOEST, under Institutional Grant No. NA36RG0507 Year 31 from NOAA Office of Sea Grant, Department of Commerce); and
- (5) Providing that the transfer of Mauna Kea shall be subject to the Decision and Order of the Circuit Court of the Third Circuit, Civil No. 04-1-397 (January 7, 2007), requiring action by the Board of Land and Natural Resources for the proper management of the area;
- (6) Requiring that the Office of Hawaiian Affairs transfer management and control of all parcels in this measure to the sovereign native Hawaiian entity upon its recognition by the United States and the State; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 995, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 433 (Joint) Economic Development and Technology and Judiciary and Government Operations on S.B. No. 602**

The purpose of this measure is to amend the requirements relating to an artist that receives a fellowship.

This measure also dedicates an unspecified percentage of applicable state fund appropriations for capital improvements for the works of art special fund for performing arts and a permanent display.

Testimony in opposition of this measure was submitted by the Department of Accounting and General Services. Comments on this measure were submitted by the Department of Budget and Finance, and one concerned individual. Copies of written testimony may be reviewed on the Legislature's website.

Your Committee finds that the one per cent of state appropriations from capital improvement projects transferred to the works of art special fund enables the community to enjoy visual arts in public places. Through this vehicle, your Committees seek to take advantage of the increase in state bond funds that will be used to stimulate the economy through accelerated construction of transportation infrastructure and much-needed school repairs and renovations. At the same time, increased funding in the works of art special fund will help the legislature insure that Hawaii's multicultural arts community will survive during these difficult times.

Your Committee has amended this measure by:

- (1) Revising the purpose section of the measure;
- (2) Deleting the provision relating to an unspecified percentage of applicable state fund appropriations for capital improvements for the works of art special fund for performing arts;
- (3) Replacing the one per cent of all state fund appropriations for capital improvements to be transferred to the credit of the works of art special fund;
- (4) Adding that the works of art special fund shall be used solely for costs related to creation of an electronic, digital, or other permanent record of works of art;
- (5) Amending the definition of permanent display to include a live performance on film; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 602, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 602, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by the Chair and Vice Chair on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Gabbard, Hee, Nishihara).

**SCRep. 434 Commerce and Consumer Protection on S.B. No. 878**

The purpose of this measure is to reduce administrative costs by allowing the Public Utilities Commission to streamline and update its notice process for public hearings on rate changes and ratemaking procedures.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and the Public Utilities Commission. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that the current law's requirement that the Public Utilities Commission publish notice of rate hearings in newspapers statewide is duplicative and unnecessary in the context of concurrent requirements that the Commission also provide notice via direct mailings to affected consumers. Publishing hearing notices statewide is unnecessary for hearings that only affect utility consumers on certain islands.

Your Committee has amended this measure by making technical, nonsubstantive changes to clarify the language of the measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 878, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 878, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 435 Commerce and Consumer Protection on S.B. No. 35**

The purpose of this measure is to exempt certified public accountants, who are already subject to regulation by the Board of Public Accountancy, from the definition of distressed property consultant under the Mortgage Rescue Fraud Prevention Act.

A distressed property consultant assists homeowners at risk of foreclosure to negotiate with their lender in order to serve the best interest of the homeowner in the foreclosure process. Under current law, a public accountant or certified public accountant is prevented from performing routine accounting services to assist with financial matters that may arise relating to the foreclosure process.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Office of Consumer Protection; Hawaii Society of Public Accountants; Hawaii Association of Public Accountants; and one private citizen. Your Committee received testimony with comments from the Legal Aid Society of Hawaii.

Your Committee finds that, although protection of financially vulnerable homeowners is critical, public accountants and certified public accountants are already subject to regulation by the Board of Public Accountancy, which supplies adequate protection to consumers of public accounting services through existing licensing standards and disciplinary procedures.

Your Committee adopted the recommendation of the representative of the Hawaii Association of Public Accountants to amend section two of this measure. Your Committee has added language to clarify that the exemption from the definition of "distressed property consultant" applies:

- (1) To both public accountants and certified public accountants licensed and regulated pursuant to chapter 466, Hawaii Revised Statutes; and
- (2) To out-of-state public accountants and certified public accountants operating legally under a temporary permit issued by the board of accountancy pursuant to chapter 466, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 35, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 436 (Majority) Health on S.B. No. 777**

The purpose of this measure is to ensure that teenagers are equipped with accurate information and knowledge to enable them to make informed decisions regarding their sexual health.

This measure accomplishes this purpose by requiring all entities that receive state funding for sexual health education purposes to provide medically accurate, factual information that is age-appropriate and that includes education on both abstinence and contraception for the prevention of pregnancy and sexually transmitted diseases, including human immunodeficiency virus.

Your Committee received testimony in support of this measure from one state agency, nine organizations, and two individuals. Your Committee received testimony in opposition to this measure from one state agency, two organizations, and one individual.

Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that providing teenagers with medically accurate, factual information that is age-appropriate and that includes education on both abstinence and contraception for the prevention of pregnancy and sexually transmitted diseases, including HIV, will reduce the number of unintended teenage pregnancies in Hawaii. In addition, your Committee finds that empowering teenagers to make informed decisions is the most effective safeguard to the contraction of often life threatening sexually transmitted diseases.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Hemmings). Excused, 1 (Espero).

**SCRep. 437 (Majority) Labor on S.B. No. 62**

The purpose of this measure is to require independent medical examinations and permanent impairment rating examinations for workers' compensation claims to be performed by physicians mutually agreed upon by employers and employees or appointed by the Director of Labor and Industrial Relations.

Testimony in support of the measure was submitted by thirteen organizations.

Testimony in opposition of the measure was submitted by two state agencies, two county agencies, and seven organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current method of selection of physicians to perform independent medical examinations by employers has led to confrontation, distrust, and animosity between many injured workers and employers.

Your Committee further finds that since employers or insurers currently pay for and select examining physicians, these physicians may be biased toward employers and insurers, and that a more impartial process of selecting examining physicians would better protect the interests of both the injured worker and the employer.

Your Committee notes that while there is no consensus on whether this measure will increase or decrease workers' compensation costs, it may reduce distrust between injured workers and their examining physicians, thereby minimizing unnecessary hearings to dispute physicians' findings.

Your Committee has amended this measure by making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 62, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 62, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 438 (Majority) Labor on S.B. No. 695**

The purpose of this measure is to require an employer to continue paying for medical services for an injured employee despite disputes over whether treatment should be continued, until the Director of Labor and Industrial Relations determines whether medical services should be continued.

Testimony in support of this measure was submitted by two organizations. Testimony in opposition of this measure was submitted by two state agencies, one county agency, and seven organizations. Two organizations supported the intent of this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure addresses the disruption of medical care to injured employees which is a major impediment to their prompt return to work. Your Committee further finds that a quicker return to employment may ultimately lower costs, benefiting both employers and employees in an equitable way.

Your Committee acknowledges the concern that employees may seek unnecessary treatment as a result of this measure, resulting in higher costs to employers and insurers. However, your Committee believes that it is a priority for injured workers to receive the proper care and treatment they need to return to work. Furthermore, this measure addresses the expressed concern by providing that employers and insurers may recover benefits paid past the deadline for allowed treatment and that employees who obtain medical services unlawfully may be charged for those services.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 695, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 695, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Bunda). Noes, 1 (Slom). Excused, none.

**SCRep. 439 Labor on S.B. No. 823**

The purpose of this measure is to require employers to notify employees annually of their entitlement to family leave, as well as possible adverse impact of taking family leave.

Testimony in support of this measure was submitted by one organization and one public citizen. Testimony in opposition was submitted by one state agency and three organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds a discrepancy exists between the types of eldercare policies and benefits that employers offer and what working caregivers believe is offered. According to recent studies on elder care, eighty per cent of employers say that they offer paid

bereavement leave while only 4.7 per cent of employed caregivers know of this benefit. About seventy per cent of employers offer unpaid family leave while only eighteen per cent of working caregivers are aware of this benefit. Only five per cent of working caregivers know their employers offer leave without pay, but employers say that 66.3 per cent of them offer this benefit.

Your Committee finds an annual notice requirement is a costly burden on the employer. Your Committee adopts the recommendations of the Department of Labor and Industrial Relations to amend the measure to conform to posting requirements of chapters 387 and 388, Hawaii Revised Statutes. These laws require employers to keep information posted in a conspicuous place that all employees have access to, which provides a daily reminder to individuals and prevents a waste of resources.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 440 Human Services on S.B. No. 190**

The purpose of this measure is to allow married couples who are not reliant on state and federal aid for medical services to reside in the same community foster family care home if each spouse is eighty years of age or older and the couple has been married for forty years or more.

Your Committee received testimony in support of this measure from the Hawaii Coalition of Caregivers; Talavera Case Management Agency; Adult Foster Home Association, Big Island Chapter; Ohana Alternative Care Service; the Policy Advisory Board for Elder Affairs, Legislative Committee; Hilo Baptist Church; New Hope Hamakua; and over three hundred individuals. The Department of Human Services and the Attorney General submitted testimony in opposition to the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that community care foster family homes accept both Medicaid and private pay clients in need of long-term care. Under section 346-331, Hawaii Revised Statutes, two adults are permitted to reside in a community care foster family facility, and at least one of these adults must be a Medicaid recipient. The Department of Human Services may, in its discretion, allow one additional resident; however, the third resident must also be a Medicaid recipient. These requirements prevent two private pay clients from residing together in a community care foster family home, even if they are married or share a similar close relationship.

Your Committee finds that the residential requirements for community care foster family homes have resulted in the separation of husbands and wives when both spouses are private pay clients. Spouses in the last phase of their life are deprived of the comfort and support of their long-time companions.

However, your Committee finds that the measure may unfairly deprive spouses who do not meet the conditions imposed by the measure or other closely related private pay couples of the benefits of living together. Further, your Committee has concerns that the measure is challengeable under the equal protection clause of the Constitution because it discriminates against private pay couples who wish to live together but who do not meet the age and marriage duration requirements.

Your Committee has amended the measure by:

- (1) Requiring the Department of Human Services to allow two private pay clients to live together in a community care foster family home, and further requiring the Department to define the relationship two private pay clients must share in order to benefit from this right within the confines of the equal protection clause;
- (2) Amending the effective date of the measure to make the measure effective upon approval;
- (3) Removing the sunset provision from the measure; and
- (4) Requiring the Department of Human Services to implement the measure within one month of its approval with interim rules, and thereafter establishing permanent rules by December 31, 2009, pursuant to chapter 91, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 190, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 441 Ways and Means on S.B. No. 971**

The purpose of this bill is to effectuate its title.

Senate Bill No. 971 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Upon consideration, your Committee has amended this bill by deleting its content and by replacing it with language conforming state tax law to the latest amendments to the Internal Revenue Code.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 971, S.D. 1, and be recommitted to the Committee on Ways and Means, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Fukunaga, Hee).

**SCRep. 442      Ways and Means on S.B. No. 1449**

The purpose of this measure is to effectuate its title.

S.B. No. 1449 was introduced as a short-form bill, which is sometimes referred to as a "vehicle bill" primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specifying details in the long form.

Upon consideration, your Committee has amended this bill by deleting its content and by replacing it with language to require taxpayers to make estimated payments of general excise taxes.

Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1449, S.D. 1, and be recommitted to the Committee on Ways and Means, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Fukunaga, Hee).

**SCRep. 443      Ways and Means on S.B. No. 1461**

The purpose of this measure is to effectuate its title.

S.B. No. 1461 was introduced as a short-form bill, which is sometimes referred to as a "vehicle" bill primarily used to introduce a bill containing only a general idea as to the purpose of the bill without specific details in the long form.

Upon consideration, your Committee has amended this bill by deleting its content and by replacing it with language to require electronic filing and payment of state taxes and to accelerate the filing and payment of various state taxes.

Your Committee has amended the bill to provide the substantive contents of the bill in long form so that a public hearing may be properly held on its substantive contents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1461, S.D. 1, and be recommitted to the Committee on Ways and Means, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Fukunaga, Hee).

**SCRep. 444      (Joint) Health and Commerce and Consumer Protection on S.B. No. 113**

The purpose of this measure is to authorize the Board of Dental Examiners to revoke or suspend the license of a dentist for false or misleading advertising.

Your Committees received testimony in support of this measure from the Hawaii Dental Association and one individual. Testimony in opposition to this measure was received from the Board of Dental Examiners. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will strengthen the current statutes regarding sanctions for the false or misleading advertising of licensed dentists who advertise a specialty practice without possessing the appropriate credentials. The Board of Dental Examiners has submitted testimony stating that they are currently working on rules to further clarify this matter. However, your Committees find that this measure will remedy the above stated concerns in a more efficient manner.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 113 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 3 (Ihara, Nishihara, Sakamoto).

**SCRep. 445      Transportation, International and Intergovernmental Affairs on S.B. No. 1055**

The purpose of this measure is to authorize the Department of Transportation to adopt rules relating to safety measures, security requirements, and activities in commercial harbors, land, and facilities belonging to or controlled by the State.

Your Committee received testimony in support of this measure from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State has encountered situations wherein an individual or a group has conducted activities in the waters of commercial harbors, independent of vessel traffic, that threaten the security of harbors and the safety of bona fide harbor users. This measure is intended to ensure the free, safe, and secure flow of commercial harbor traffic.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1055 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 446 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.B. No. 384**

The purpose of this measure is to require the Department of Education to ensure that all traffic safety measures are in place and operational prior to the opening of a newly constructed public, public charter, or private school.

Testimony in opposition to this measure was submitted by one state agency. One private organization submitted comments. Copies of written testimony are available for review on the Legislature's website.

Your Committees have heard that the Department of Education is currently required to meet state and county traffic safety regulations, and that during the design phase of a project, it is standard practice for the Department of Education to coordinate with the Department of Transportation and county transportation departments to ensure that their requirements are addressed.

Your Committees also understand, however, that in the case of at least one neighbor island school, these procedures were not adequate and that the school continues to lack sufficient traffic safety devices to protect its students, faculty, and visitors. Your Committees requested further information from the Department of Education regarding this specific instance and any other similar instances the Department may identify. Until the information is available the situation clearly shows this measure is necessary, your Committees urge further legislative deliberations on the measure.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 384 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 1 (Slom).

**SCRep. 447 (Joint) Transportation, International and Intergovernmental Affairs and Human Services on S.B. No. 673**

The purpose of this measure is to clarify county restrictions on group living facilities.

Your Committees received testimony in support of this measure from four individuals. Testimony in opposition was received from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure adds temporal restrictions on commercial deliveries, and ambient noise and pollutant emission standards at lot boundaries to the county requirements that must be satisfied in order for group living facilities to operate.

Your Committees find that many residents, including the elderly, mentally ill, and disabled, for a variety of reasons and circumstances may benefit from residing in group living facilities that provide deinstitutionalized, residential settings that are more conducive to their care, health and autonomy, and quality of life. However, as the number of group living facilities increases in traditional residential areas, the potential negative impacts that they may unintentionally cause due to increases in care provider and visitor traffic, commercial deliveries, noise, and other impacts resulting from the facilities may affect their surrounding neighbors, thereby reducing the latter's quality of life and quiet, peaceful enjoyment of residential living.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 673 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 1 (Hemmings).

**SCRep. 448 Education and Housing on S.B. No. 288**

The purpose of this measure is to ban the sale of soft drinks in public school vending machines.

Testimony in support of this measure was submitted by one state agency and four individuals. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that current Department of Education vending contracts stipulate only water and "healthy" juices are allowed, with "healthy" meaning at least fifty per cent real juice by volume. Your Committee understands that vending machines may still dispense soft drinks in teachers' lounges.

Your Committee has also considered Board of Education policy number 6810, Competitive Food Sales Policy, which states: "Beverage selections from school vending machines that are available to students shall contain only healthy beverages as deemed appropriate by the Department of Education."

Your Committee has amended this measure to conform to the Board of Education policy.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 288, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 449 Labor on S.B. No. 1568**

The purpose of this measure is to amend the law relating to unemployment insurance to allow the following to receive unemployment benefits:

- (1) An individual for whom a majority of the weeks of work in the individual's base period includes part-time work and who is seeking only part-time work; and
- (2) An individual who is separated from employment for a compelling family reason.

Testimony in support of this measure was submitted by one state agency and two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during this time of economic hardship, many people are limited in their employment options and sometimes need to accept offers of part-time employment that allow them to earn income and collect unemployment benefits while also meeting other needs. Under existing law, individuals seeking only part-time employment may be ineligible to receive unemployment benefits under requirements for availability for work, active search for work, or refusal to accept work.

Your Committee further finds that this measure allows for more flexibility in the unemployment insurance system and codifies current practices of the Department of Labor and Industrial Relations in accordance with the provisions of the American Recovery and Reinvestment Act of 2009.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1568, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1568, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 450 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 378**

The purpose of this measure is to require a bag limit for uhu and goatfish to no more than two each of kumu, moano ukali, munu, and uhu per person, per day, for recreational, subsistence, or commercial purposes on the island of Maui.

Testimony in support of this measure was submitted by four organizations and seventy-three public citizens. One public citizen supported the intent of the measure. Testimony in opposition was submitted by one organization and three public citizens. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that in recent years, the number of uhu and goatfish found on reefs surrounding the island of Maui has declined. The popularity of uhu and goatfish as food fish has led to over-harvesting on the island of Maui and has made harvesting these fish for food difficult.

There are eight species of uhu (family *Scaridae*) in Hawaii. Also known as parrotfish, once commonly found on reefs surrounding Maui, uhu is the most prolific contributor of sand production of all Hawaiian reef fishes. Although uhu can be harvested year-round, the regal uhu, palenose uhu, redlip uhu, bullethead uhu, and the spectacled uhu, require a minimum length of twelve inches by measure of fork length (the distance from the fish's mouth or snout to the fork of the tail) to be legally harvested in Hawaii. Although kumu can be harvested year-round, the white saddle goatfish must have a minimum length of ten inches by measure of fork length to be legally harvested in Hawaii. The moano ukali and munu are unregulated species and currently have no size restrictions.

Your Committee further finds that size restrictions are inadequate to protect the uhu and kumu. According to *Ecology of a Changing Planet*, there are two evolutionary predictions that arise when only larger fish are targeted. The first prediction is that by removing larger fish from a population, a strong selective pressure against growing larger is created, leaving only smaller fish to reproduce. The second prediction comes from leaving a population of smaller fish to survive. The small genes become favored and over time the reproductive size of the species becomes smaller. Fish maturing at a smaller size divert energy from growth to reproduction, the fish do not grow as large and grow more slowly. Thus, the tonnage of catchable fish declines as the size of the fish species decreases.

Your Committee believes that imposing bag limits in addition to size restrictions will protect the reef fish populations, and the production of sand for the island of Maui.

Your Committee has amended this measure by repealing it upon the effective date of comparable administrative rules adopted by the Department of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 378, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Takamine, Hemmings).

**SCRep. 451 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 411**

The purpose of this measure is to permit overnight camping at Kaena Point State Park, subject to rules adopted pursuant to chapter 91, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by one state agency and thirty-four public citizens. Two public citizens supported the intent of this measure. Testimony in opposition was submitted by one state agency, one organization, and one public citizen. Copies of written testimony are available for review on the Legislature's website.

The Department of Land and Natural Resources permits fishing at Kaena Point State Park at any time during the day or night. However, fishers have been cited and fined by the Division of Conservation and Resources Enforcement for possession of camping-related paraphernalia. Testifiers described the paraphernalia as folding chairs, coolers, and other items used while fishing.

Your Committee finds that Kaena Point State Park is a unique area, and urges the Department of Land and Natural Resources to cooperate with the community to develop administrative rules to allow fishers and other responsible stewards to camp overnight. Your Committee believes that by working together to develop administrative rules unique to the character of Kaena Point State Park and the community surrounding it, people can continue to use the park and minimize adverse environmental impacts of overnight camping and fishing.

Your Committee has amended this measure by:

- (1) Directing the Department of Land and Natural Resources to develop administrative rules to permit overnight camping at Kaena Point State Park by July 1, 2010;
- (2) Requiring the Department of Land and Natural Resources to submit a report to the Legislature within twenty days prior to the convening of the 2010 Regular Session on the progress of the Kaena Point State Park administrative rule adoption process; and
- (3) Making technical, nonsubstantive changes for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 411, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 411, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Takamine, Hemmings).

**SCRep. 452 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Energy and Environment on S.B. No. 50**

The purpose of this measure is to require the Board and Land and Natural Resources to conduct public hearings prior to awarding a lease of public land to a renewable energy producer.

Testimony in support of this measure was submitted by four organizations and sixteen public citizens. Three state agencies, one organization, and ten public citizens supported the intent of the measure. One organization and one public citizen provided comments, and one public citizen submitted testimony in opposition. Copies of written testimony are available for review on the Legislature's website.

Your Committees find that recent events have led to the need for increased community involvement in the issuance of long-term leases for renewable energy producers. Several large pasture lessees of State owned lands recently woke up to read in the newspaper that the Department of Land and Natural Resources would be holding a hearing the following day for a bio-fuels project that could take away some or all of their leases. These affected lessees had not been contacted by the Department of Land and Natural Resources.

Your Committees further find this measure provides for an open process that allows for the fair evaluation of multiple energy producers interested in the same public lands for energy projects. Your Committees believe that encouraging renewable energy producers to seek private lands as well as public lands is preferable and that current lessees should not be terminated if they are in full compliance with their lease. Your Committees further believe that current lessees and energy producers can come together with the shared vision of an increased local food supply and locally-produced energy.

Your Committees have amended this measure by:

- (1) Deleting the requirement that the renewable energy producer project not be exclusively dependent upon acquiring state land;
- (2) Clarifying that the amendments to section 171-95, Hawaii Revised Statutes, do not prevent the Department of Land and Natural Resources from participating in direct negotiations with renewable energy producers;
- (3) Providing a right of first refusal for renewable energy producers when renewing a lease with the Department of Land and Natural Resources; and
- (4) Requiring the Department of Land and Natural Resources to conduct the public hearings in the vicinity of the public lands under discussion, by removing the term "county" and replacing it with the term, "island".

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 50, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 50, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (English, Fukunaga, Hooser).

**SCRep. 453 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 635**

The purpose of this measure is to amend the powers of the Department of Land and Natural Resources for state parks.

Prior to the hearing on this measure, your Committee circulated a proposed draft, the purpose of which is to transfer jurisdiction and management of Kahana Valley from the Department of Land and Natural Resources to the Office of Hawaiian Affairs and to direct the Office of Hawaiian Affairs to assist six families facing eviction with obtaining long-term residential leases if these six families qualify under the original requirements of Act 5, Session Laws of Hawaii 1987, as amended.

Testimony in support of the proposed draft was submitted by four public citizens, and one state agency supported the intent of the proposed draft. One agency submitted comments, and testimony in opposition was submitted by twenty-seven public citizens. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 5, Session Laws of Hawaii 1987, as amended, set aside a portion of public lands in Kahana Valley, O'ahu, tax map key: (1) 5-2-01: 1, 5-2-02: all parcels, and 5-2-05: 1 and 21, and authorized the Department of Land and Natural Resources to negotiate and enter into long-term residential leases with persons who:

- (1) On April 13, 1987, resided on the set aside lands and have occupied those lands since 1970; or
- (2) On April 13, 1987, had permits issued by the Department of Land and Natural Resources allowing them to reside on designated parcels on the set aside lands.

One provision of the long-term residential leases required all qualified lessees to agree to be an essential part of the interpretive programs in the Kahana Valley State Park, as directed by the Department of Land and Natural Resources.

Eventually, thirty-one original families qualified for the long-term residential leases. However, descendants of six families that did not originally qualify for long-term residential leases remained in the valley. The Department of Land and Natural Resources recently started eviction actions against these six families.

Your Committee finds that the residents of Kahana Valley should have a meaningful say in planning the future of Kahana Valley State Park. Your Committee urges the Department of Land and Natural Resources to engage in a dialogue with the residents and lineal descendants on the issues raised during testimony. Kahana Valley is a unique residential and cultural site, and it is understandable that those who are connected with Kahana Valley want to return as lessees. Your Committee notes that the six families who have eviction actions against them should have the opportunity to reconcile their issues.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft, which was circulated prior to this hearing. Your Committee has amended the proposed draft by making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 635, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Fukunaga).

**SCRep. 454 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 382**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF AGRICULTURE**

G.M. No. 382 ALAN H. GOTTLIEB, for a term to expire 6-30-2013.

Your Committee received testimony in support of Alan H. Gottlieb from the Board of Agriculture, the Agribusiness Development Corporation, James Campbell Company LLC, the Hawaii Farm Bureau Federation, the Hawaii Agriculture Research Center, the Hawaii Cattlemen's Council, Inc., the Hawaii Cattle Producers Cooperative Association, and eight private citizens. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Gottlieb was born and raised in Montreal, Canada. He moved to Hawaii in 1978 and obtained a Bachelor's degree in Business Administration from the University of Hawaii at Manoa.

Mr. Gottlieb has had a variety of experiences in the agricultural industry. He is currently the Secretary/Treasurer and Business Manager of Ponoholo Ranch, Limited. He previously worked for Kahua Beef and Kahua Ranch Limited, where he was promoted to controller and later general manager. He also worked as a General Manager of Kahua Nurseries, Inc., Chief Operating Officer of Hawaiian Earth Products, Ltd., and held various positions with AG Management, Ltd., and Second City Property Management, Inc.

Mr. Gottlieb currently serves on several industry boards and associations, including the Board of Agriculture, the Oahu Resource Conversation and Development Council, the Agricultural Leadership Foundation of Hawaii, the Board of the Hawaii Cattlemen's Council, and the Hawaii Beef Industry Council.

Your Committee finds that Mr. Gottlieb is respected as a leader in the agricultural industry. Testimony in support indicates that Mr. Gottlieb exhibits professionalism and is knowledgeable about agribusiness issues in Hawaii, and that he is a strong advocate for agriculture. Your Committee finds that Mr. Gottlieb's active involvement in and extensive knowledge of the agricultural industry will be great assets as he continues to help the Board of Agriculture tackle the difficult issues facing the industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has



found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 455 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 393 and 394**

Recommending that the Senate advise and consent to the nomination of the following:

KOKE'E STATE PARK ADVISORY COUNCIL

G.M. No. 393 IVAN I. NITTA, for a term to expire 6-30-2009; and

G.M. No. 394 IVAN I. NITTA, for a term to expire 6-30-2012.

Your Committee received testimony in support of Ivan I. Nitta from the Department of Land and Natural Resources and Mayor Bernard P. Carvalho Jr. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ivan I. Nitta was born and raised in Kekaha, Kaua'i. He spent a considerable amount of time hunting in Koke'e and Waimea Canyon, fishing in Pu'u Lua Reservoir, and hiking trails throughout Koke'e State Park. Mr. Nitta graduated from Waimea High School in 1966. He attended the University of Hawaii for one year before joining the Hawaii Air National Guard in 1967, where he specialized in electrical power production at the Koke'e Air Force Station.

Mr. Nitta worked at the National Aeronautics and Space Administration Tracking Station at Koke'e State Park from 1968 to 1978, initially as a facilities maintenance person, then later as a power plant operator. In 1978, Mr. Nitta began work for the County of Kauai Public Works Wastewater Division as a wastewater maintenance mechanic. He retired from the County of Kauai in 2003 as a wastewater plant maintenance mechanic working supervisor.

Mr. Nitta's family has had a recreation residence in Pu'u ka Pele for over sixty years; in that time, Mr. Nitta has witnessed many changes in the park community and natural resources. Testimony in support of Mr. Nitta indicates that Mr. Nitta is environmentally sensitive and committed to the preservation of local resources and lifestyle. Your Committee finds that Mr. Nitta would bring significant experience and dedication to the Koke'e State Park Advisory Council, bringing valuable contributions to the table in meeting the challenge of sustainability with increased use of the park.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 456 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 390, 391 and 396**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAIIAN HOMES COMMISSION

G.M. No. 390 ALBERT P. NAHALE-A III, for a term to expire 6-30-2009;

G.M. No. 391 ALBERT P. NAHALE-A III, for a term to expire 6-30-2013; and

G.M. No. 396 HENRY K. TANCAYO SR., for a term to expire 6-30-2012.

Your Committee received testimony in support of Mr. Albert P. Nahale-a III from the Department of Hawaiian Home Lands and the Council for Native Hawaiian Advancement.

Mr. Nahale-a obtained a Bachelor's degree in Political Science from the University of Pennsylvania and is pursuing a Master's degree in Education Administration from Arizona State University. Mr. Nahale-a has worked at the Keaukaha Homestead Community for the past six years as Director of the Ka Umeke Kaeo Hawaiian Immersion Public Charter School. He has previously worked at Hawaii Community College and the Council for Native Hawaiian Advancement, and has served as Board President of the Hawaii Charter School Network and a member of various boards and organizations, including the Native Hawaiian Legal Corporation, Na Lei Naauao Native Hawaiian Charter School Alliance, Ka Umeke Kaeo Hawaiian Public Charter School, Kakoo Ka Umeke, Inc., The Strive Company, the Kellog Foundation, Lehua Jaycees, and the Boy Scouts of America-Troop 19, Hilo.

Your Committee finds that Mr. Nahale-a's experience with the Ka Umeke Kaeo Hawaiian Immersion Public Charter School and his background in education and community development offer invaluable knowledge and experience to the Hawaiian Homes Commission.

Your Committee received testimony in support of Mr. Henry K. Tancayo Sr. from the Department of Hawaiian Home Lands, Blessed Damien Catholic Parish, and one private citizen.

Mr. Tancayo was raised on Hawaiian home lands and currently resides on a forty-acre homestead lot in Hoolehua. As a homesteader, Mr. Tancayo has been involved with agriculture, raised livestock, owned a small business, and has been an active community member. In 1968, he began working for the Maui County Fire Department as a Fire Fighter-Engineer. He served as Fire Captain and Island Commander, and retired in 1993 as a Battalion Chief.

Residing throughout his life on Molokai, Mr. Tancayo has been president of Kualapuu School Parent Teacher Association, Molokai Jaycees, and the Kualapuu-Hoolehua Catholic Association. He was active in 4-H for about twenty years as a livestock leader and

council member. He helped create the Molokai Homestead Livestock Association and served as president of the Association. He also founded the Molokai Livestock Cooperative and served on the Molokai Planning Commission. Mr. Tancayo currently volunteers with Hospice Molokai, the Molokai Seniors Program, and the Molokai Catholic Community.

Your Committee finds that Mr. Tancayo would bring invaluable knowledge, experience as a homesteader, and experience as an active leader and community member, to the Hawaiian Homes Commission.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 457 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 377 and 399**

Recommending that the Senate advise and consent to the nominations of the following:

LEGACY LAND CONSERVATION COMMISSION

G.M. No. 377 CARL J. BERG JR., for a term to expire 6-30-2013; and

G.M. No. 399 KAREN GS YOUNG, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Carl J. Berg Jr. and Karen GS Young to have the requisite qualifications to be nominated to the Legacy Land Conservation Commission.

Testimony in support of the nomination of Mr. Berg was submitted by one state agency, the Kauai County Mayor, and three organizations.

Mr. Berg received his Bachelor's degree in Zoology from the University of Connecticut, Masters in Marine Science from the University of the Pacific, and Doctors of Philosophy in Zoology from the University of Hawaii at Manoa. Mr. Berg is presently employed as a Senior Scientist at Surfrider Foundation Kauai Chapter and is the owner and scientist for Hawaiian Wildlife Tours.

Testimony in support of the nomination of Ms. Young was submitted by the Representative of the 45th House district, one state agency, one organization, and three public citizens.

Ms. Young received her Bachelor's degree in Professional Nursing from the University of Hawaii at Manoa, her Master's in Public Health from the University of Hawaii at Manoa, and her Master's of Science in Nursing from Western University of Health Sciences. Ms. Young is presently employed as a Clinical Preceptor and Advanced Professional Registered Nurse at the Waianae Comprehensive Health Center.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 458 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 266**

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 266 JERRY A. NISHEK, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Jerry A. Nishek to have the requisite qualifications to be nominated to the Advisory Committee on Pesticides.

Testimony in support of the nomination of Mr. Nishek was submitted by one state agency and the Kauai County Mayor. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Nishek is a licensed Contractor, certified Arborist, and is certified for Commercial Applicators of Restricted Pesticides. He received his education at the North Dakota School of Science, the National Highway Institute, and the Contractor's License Center. Mr. Nishek is presently employed as the General Manager for Kauai Nursery and Landscaping, Inc., and the General Manager for Operations of KNL Maintenance, Inc.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 459 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 378**

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 378 STEPHANIE S. H. CRIVELLO, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Stephanie S. H. Crivello to have the requisite qualifications to be nominated to the Community-Based Economic Development Advisory Council.

Testimony in support of the nomination of Ms. Crivello was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Crivello currently serves on the Board of Directors for Na Puuwai Native Hawaiian Health Care System, Molokai Land Trust, and the Hawaii Alliance for Community-Based Economic Development, as the Board President for Ke Aupuni Lokahi, Inc., and as Commissioner for the Maui County Fire and Public Safety Commission. Ms. Crivello is presently employed as the Interim Executive Director of the Molokai Enterprise Community.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 460 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 376, 381 and 383**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANAI

G.M. No. 376 JAMES S. BALLAO M.ED., for a term to expire 6-30-2013;

G.M. No. 381 SCOTT G. FISHER, for a term to expire 6-30-2013; and

G.M. No. 383 EDWARD H. KAAHUI, for a term to expire 6-30-2013.

Your Committee reviewed the personal histories, resumes, and statements by the nominees, and finds James S. Ballao, M.Ed., Scott G. Fisher, and Edward H. Kaahui to have the requisite qualifications to be nominated to the Island Burial Council, islands of Maui and Lanai.

Testimony in support of the nomination of James S. Ballao, M.Ed. was submitted by one state agency.

Mr. Ballao received his Bachelor's degree in Sociology from the University of Hawaii at Hilo and his Master's degree in Education from Walden University. He currently serves as a member of the Island Burial Council for the islands of Maui and Lanai and satisfies the requirement of having a member representing the Wailuku District. Mr. Ballao is certified as a Middle School and Secondary Education Teacher in Hawaiian Studies, Social Studies, and Mathematics, and is presently employed as an At-Risk High School Educator with the Comprehensive Student Alienation Program at the Department of Education.

Testimony in support of the nomination of Scott G. Fisher was submitted by one state agency and two public citizens.

Mr. Fisher received his Bachelor's degree in Philosophy from Colorado State University, his Master's degree in Peace and Justice from the Earlham School of Religion, and his Doctor of Philosophy degree in Peace and Community Development Studies from the University of New England. He currently serves as a member of the Island Burial Council for the islands of Maui and Lanai and satisfies the requirement of having a member representing the landowners and developers. Mr. Fisher is presently employed as a Project Manager for the Maui Coastal Land Trust.

Testimony in support of the nomination of Edward H. Kaahui was submitted by one state agency.

Mr. Kaahui received his Associates degree from Maui Community College, and spent thirty years working for Maui County. He currently serves as a member of the Island Burial Council for the islands of Maui and Lanai and satisfies the requirement of having a member representing the Lahaina District. Mr. Kaahui is presently retired from Maui County, operates the Olowalu Juice Stand, and is a taro farmer at Ukumehame Valley.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 461 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 389**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HCDA)

G.M. No. 389 KAY M. MUKAIGAWA, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Kay M. Mukaigawa to have the requisite qualifications to be nominated to the Hawai'i Community Development Authority.

Testimony in support of the nomination of Ms. Mukaigawa was submitted by two state agencies, eight organizations, and three public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Mukaigawa has over twenty years experience in the real estate industry in Hawaii, and has served on the Honolulu Board of Realtors Professional Standards Arbitration Committee. Ms. Mukaigawa presently serves on the Board of Governors for the Japanese Cultural Center of Hawaii, and is a member of the Hawaii Developers' Council and the Building Industry Association. Ms. Mukaigawa is presently employed as the principal broker for Primary Properties, Inc.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 462 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 397**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'IHAU

G.M. No. 397 KEITH R. YAP, for a term to expire 6-30-2012.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee and finds Keith R. Yap to have the necessary qualifications to be nominated to the Island Burial Council, Islands of Kaua'i and Ni'ihau.

Testimony in support of the nomination of Keith R. Yap was submitted by one state agency, the Kaua'i County Mayor, the Vice Chair of the Kaua'i County Council, and two organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Yap received his Bachelor's degree in Business Administration from the University of Hawai'i at Manoa, and is a certified Public Accountant. Mr. Yap is a graduate of Leadership Kauai and serves as a Board member and Treasurer for the Kauai Hospice. Mr. Yap is presently employed as the Director of Finance for the Grove Farm Company, Inc.

Currently serving on the Island Burial Council for the islands of Kaua'i and Ni'ihau under an interim appointment, Mr. Yap brings to the Council a wealth of knowledge and experience in current best practices in finance, real estate, and other related fields. He recently received a vote of confidence from his fellow council members who elected him to be the Vice-Chair of the Council.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 463 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 380, 385 and 398**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 380 LENINGRAD ELARIONOFF, for a term to expire 6-30-2013;

G.M. No. 385 JAMES G. LEE JR., for a term to expire 6-30-2013; and

G.M. No. 398 CHARLES KUI HIN YOUNG, for a term to expire 6-30-2013.

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Leningrad Elarionoff, James G. Lee, Jr., and Charles Kui Hin Young to have the requisite qualifications to be nominated to the Island Burial Council, island of Hawai'i.

Testimony in support of the nomination of Leningrad Elarionoff was submitted by one state agency.

Mr. Elarionoff is a retired police officer for Hawai'i County, and has served three terms on the Hawaii County Council. Mr. Elarionoff currently serves as a member of the Island Burial Council for the island of Hawai'i and satisfies the requirement of having a member representing the Kohala District. Mr. Elarionoff also presently serves as a member of the Waimea Trails and Greenways Committee.

Testimony in support of the nomination of James G. Lee, Jr. was submitted by one state agency.

Mr. Lee received his Bachelor's degree in Business Administration from Chaminade University. Mr. Lee currently serves as a member of the Island Burial Council for the island of Hawai'i and satisfies the requirement of having a member representing landowners and developers. Mr. Lee is presently employed as the Director of Development at W.H. Shipman, Ltd.

Testimony in support of the nomination of Charles Kui Hin Young was submitted by one state agency.

Mr. Young received his Bachelor's degree in Mechanical Engineering from California Polytechnic State University. Mr. Young currently serves as a member of the Island Burial Council for the island of Hawai'i and satisfies the requirement of having a member representing landowners and developers. Mr. Young is presently employed as the Plant Manager for the Mauna Loa Macadamia Nut Corp.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 464 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 386 and 387**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 386 AARON D. MAHI, for a term to expire 6-30-2013; and

G.M. No. 387 MARK KAWIKA MCKEAGUE, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Aaron D. Mahi and Mark Kawika McKeague to have the necessary qualifications to be nominated to the Island Burial Council, Island of Oahu.

Testimony in support of the nomination of Mr. Mahi was submitted by one state agency, one organization, and two public citizens.

Mr. Mahi received his Bachelor's degree in Music Education from the University of Hartford, and has served as Bandmaster for the Royal Hawaiian Band and Associate Conductor with the Honolulu Symphony. Mr. Mahi is presently employed as the Executive Director of the Waihona Mele No'eau of the Abigail Kinoiki Kekaulike Kawanakoa Foundation.

Currently serving a term on the Island Burial Council for the island of Oahu, Mr. Mahi has gained an understanding of ancient Hawaiian burial practices through mentorship received from kupuna resources and his own study and research. Mr. Mahi states that as a Hawaiian, it is his duty to repatriate Hawaiian people to their resting places to ensure that the source of their spirits resident in their Iwi will always be intact and safe, thus ensuring the life and breath of the kanaka spiritual realm.

Testimony in support of the nomination of Mr. McKeague was submitted by one state agency, two organizations, and five public citizens.

Mr. McKeague received his Bachelor's degree in Political Science and his Master's degree in Urban and Regional Planning from the University of Hawai'i at Manoa. He also has a graduate certificate in Historic Preservation from the University of Hawai'i at Manoa. Mr. McKeague is the Board President of the PAI Foundation, and is presently employed as a Senior Environmental Planner at Group 70 International, Inc.

As a current member of the Island Burial Council for the island of Oahu, and as a cultural resource planner and practitioner with the legal processes of federal and state historic preservation and burial law over several years, Mr. McKeague has a foundation of relevant experience upon which he hopes to build. Furthermore, he understands that the kupuna who have passed on before us are sources of knowledge, strength, inspiration, wisdom, and spiritual power, and their legacy must be sustained in perpetuity. He believes that positive and effective outcomes can be achieved if a purposeful consideration and respect of the legacy of Hawaii's lands is integrated early into the planning entitlement, conceptual land use design, and site planning processes.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 465 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 375**

Recommending that the Senate advise and consent to the nomination of the following:

NATURAL AREA RESERVE SYSTEM COMMISSION

G.M. No. 375 REBECCA R. ALAKAI, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rebecca R. Alakai to have the necessary qualifications to be nominated to the Natural Area Reserve System Commission.

Testimony in support of the nomination of Rebecca R. Alakai was submitted by one state agency and two public citizens. Testimony in opposition was submitted by one public citizen. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Alakai received her Bachelor's degree in Zoology and her Master's degree in Geography from the University of Hawai'i at Manoa. Ms. Alakai has served as a member of the Forest Stewardship Advisory Committee and the Hawaii Forestry and Communities Initiative. During her ten years of employment as a Water Planner and Resource Management Specialist with the Department of Hawaiian Home Lands, she assisted in setting native Hawaiian water rights and worked on a breadth of projects including engineering and drainage plans, rate setting, residential and commercial property development, and forest and invasive species projects. Ms. Alakai is presently employed as the senior Planner for the Office of Environmental Quality Control with the Department of Health. She is currently serving her first term on the Natural Area Reserve System Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 466 Commerce and Consumer Protection on S.B. No. 298**

The purpose of this measure is to increase the amount of unpaid maintenance fees that condominium associations may recover in the event of the foreclosure of a condominium apartment.

Your Committee received testimony in support of this measure from the Community Associations Institute and three individuals. Testimony in opposition to this measure was received from Hawaii Bankers Association, Hawaii Financial Services Association, Hawaii Independent Condominium & Cooperative Owners, and Hawaii Council of Associations of Apartment Owners. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the rising number of home mortgage foreclosures puts a burden on associations of apartment owners and on individual apartment owners when an association loses maintenance fees due to foreclosure. Your Committee finds that this measure will allow associations of apartment owners to continue regular upkeep and maintenance and to avoid unnecessarily increasing maintenance fees.

Your Committee has amended this measure by:

- (1) Increasing the maximum recoverable amount of unpaid maintenance fees from \$2,400 to \$3,600; and
- (2) Inserting a new section to include condominiums covered by chapter 514A, Hawaii Revised Statutes, so that this measure applies to all condominiums under Hawaii's parallel regulation structure.

Your Committee notes that the stakeholders who testified on this measure expressed that the maximum recoverable dollar amount contained in this amended measure has been agreed upon by all interested parties. Your Committee further notes that the \$3,600 maximum recoverable amount contained in this amended measure conforms with a similar provision in S.B. No. 572, which your Committee has previously recommended be placed on the calendar for Third Reading.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 298, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Ihara).

**SCRep. 467 Commerce and Consumer Protection on S.B. No. 520**

The purpose of this measure is to specify the types of documents and other evidence that are sufficient to provide a used car dealer with indicia of ownership or right to possession of a used motor vehicle.

Your Committee received testimony in support of this measure from Hawaii Automobile Dealers Association and First Hawaiian Bank. Testimony in opposition to this measure was received from the Honolulu Police Department, Hawaii Insurers Council, and one private citizen. Testimony with comments on this measure was received from the Motor Vehicle Industry Licensing Board, State Farm Insurance, and one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under the current law, it is sufficient that a motor vehicle dealer present proof of possession of a legal ownership certificate for a vehicle that is sold or offered for sale. The current law does not require actual possession of the ownership certificate, nor does it specify what proof of possession is sufficient.

Your Committee has amended this measure by:

- (1) Deleting language relating to "reasonable indicia of ownership or right of possession" and examples of indicia of ownership;
- (2) Adding provisions to distinguish between documentary requirements for new and used motor vehicles;
- (3) Adding a provision to specify that a dealer shall possess evidence that all liens on a used motor vehicle have been satisfied; and

- (4) Making technical, nonsubstantive changes for the purposes of clarity and accuracy.

Your Committee received testimony from the Motor Vehicle Industry Licensing Board and other parties that the stakeholders on this measure have agreed on amended language to clarify this measure and to provide more protection for consumers. Your Committee finds that this measure, as amended, balances consumers' interest in ensuring clear title to a motor vehicle and motor vehicle dealers' interest in efficiently selling their stock.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 520, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 520, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 468 Commerce and Consumer Protection on S.B. No. 549**

The purpose of this measure is to include motorcycles in the State's Lemon Law and thereby make statutory remedies under the State Certified Arbitration Program available to owners of defective motorcycles.

Your Committee received testimony in support of this measure from Street Bikers United and two private citizens. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the inclusion of motorcycles in the State's Lemon Law and the resultant access for owners of defective motorcycles to the State Certified Arbitration Program (SCAP) will not overly tax SCAP's existing resources. Your Committee further finds that in order to successfully implement this measure, the Department of Commerce and Consumer Affairs as well as motorcycle dealers and manufacturers should be given adequate time to establish compliance procedures and to update their informational materials.

Your Committee has amended this measure by clarifying that it applies to sales of motorcycles that take place on or after September 1, 2009, in order to allow all affected parties an opportunity to adequately prepare for the inclusion of motorcycles in the State's Lemon Law.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 549, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 549, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 469 Commerce and Consumer Protection on S.B. No. 574**

The purpose of this measure is to extend the Condominium Dispute Resolution Pilot Project by two years.

Your Committee received testimony in support of this measure from Hawaii Independent Condominium & Cooperative Owners and Hawaii Council of Associations of Apartment Owners. Testimony in opposition to this measure was received from the Community Associations Institute and two individuals. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that although there have not been a sufficient number of requests for hearings filed with the Condominium Dispute Resolution Pilot Project to warrant the establishment of a permanent condominium dispute resolution contested case process, there is a need to provide a limited extension of the pilot project until a satisfactory replacement process may be established. Your Committee notes that the stakeholders who presented testimony on this measure expressed that all interested parties to this issue have agreed to work together to establish an evaluative mediation process to resolve condominium disputes. Your Committee encourages the proponents of evaluative mediation to work with the Department of Commerce and Consumer Affairs to investigate evaluative mediation and make recommendations for instituting such a process by either administrative rule or legislation.

Your Committee has amended this measure by making a minor, nonsubstantive technical change.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 574, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 574, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Ihara).

**SCRep. 470 Commerce and Consumer Protection on S.B. No. 636**

The purpose of this measure is to make minor housekeeping amendments to section 502-33, Hawaii Revised Statutes, relating to the recording of documents with the Bureau of Conveyances.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will clarify the language of section 502-33 and bring it into conformity with standard legislative drafting conventions.

Your Committee also heard S.B. No. 637, relating to the Department of Land and Natural Resources and received testimony in support of that measure from the Department of Land and Natural Resources. Written testimony on S.B. No. 637 presented to the Committee may be reviewed on the Legislature's website.

Upon further consideration, your Committee has amended this measure by adding the contents of S.B. No. 637, which also makes housekeeping amendments relating to the recording of documents with the Bureau of Conveyances. Your Committee has incorporated the language of S.B. No. 637 into this measure for the purpose of legislative efficiency since both measures consist of housekeeping amendments needed to clarify existing language regarding the registration and recordation of documents with the Bureau of Conveyances.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 636, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 636, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Ihara).

**SCRep. 471      Judiciary and Government Operations on S.B. No. 506**

The purpose of this measure is amend the Hawaii public procurement code to:

- (1) Define "Hawaii input";
- (2) Clarify the definition of "Hawaii products" to include Hawaii input of more than fifty per cent of the total cost of the product;
- (3) Allow self-certification when submitting a response to a solicitation that seeks a preference for Hawaii products;
- (4) Require that for calculating the price or bid for a Hawaii product item, a fifteen per cent reduction in the price or bid be provided where the offer includes Class II Hawaii items;
- (5) Require any person desiring a preference, who is not on the Hawaii products list, to certify the Hawaii product when submitting a response to a solicitation;
- (6) Establish penalties for failing to adequately verify, deliver, or supply Hawaii products when a certification has been made; and
- (7) Amend the Hawaii Administrative Rules relating to procurement to reflect the statutory changes made by this measure.

Your Committee received testimony in support of this measure from the County of Hawaii Department of Research and Developments; Hawaii Farm Bureau Federation; Big Island Farm Bureau; and Kona County Farm Bureau. Testimony in opposition was received from the Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would provide Hawaii agricultural producers increased opportunities to access value-added produce markets in the State's institutional facilities that constitute bulk purchasers.

Based upon the testimony, your Committee finds that it is preferable to leave in place the administrative procurement exemptions for certain Hawaii products, most notably fresh meats and produce, animals and plants, and food and fodder for animals, which form the basis of Hawaii agriculture.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 506, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Gabbard).

**SCRep. 472      Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1069**

The purpose of this measure is to require the Hawaii Community Development Authority to collaborate with and consider the recommendations of the working group of interested stakeholders in developing, accepting, and implementing plans for the development of the Kakaako makai area of the Kakaako Community Development District.

Testimony in support of this measure was submitted by one organization and four public citizens. One state agency supported the intent of this measure, and offered comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Kakaako Makai Community Planning Advisory Council, a diverse group of stakeholders, has worked for two years to develop a vision and guiding principles for the development of the Kakaako makai area. Your Committee understands that the Hawaii Community Development Authority will include the Kakaako Makai Community Planning Advisory Council in the next process, to develop a master plan and rules for the Kakaako makai area, and this measure will ensure the Kakaako Makai Community Planning Advisory Council's role in that process.

Your Committee has amended this measure by:

- (1) Deleting the description of the boundaries of the Kakaako makai area, and replacing it with the recommended description of several members of the Kakaako Makai Community Planning Advisory Council; and
- (2) Making technical, nonsubstantive changes for the purpose of style.



As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 473 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1083**

The purpose of this measure is to include additional native Hawaiian organizations for the Department of Land and Natural Resources to consult with to determine whether a burial site should be preserved in place or relocated and to develop a list of candidates for the burial councils.

Testimony in support of this measure was submitted by one state agency and two public citizens. One state agency and one public citizen supported the intent, and one public citizen provided comments. Testimony in opposition was submitted by one organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that determining the appropriate treatment for Hawaiian burials requires specific expertise and consideration of all applicable information. The intent of this measure is to be inclusive and seek a broad range of native Hawaiian organizations with expertise to provide information for the proper and respectful treatment of remains. Your Committee recognizes that the Department of Land and Natural Resources already consults with members of these groups, and this measure will ensure that the Department of Land and Natural Resources continues to consult with these groups in a consistent way.

Your Committee has amended this measure by:

- (1) Including the Kanaka Council in the list of native Hawaiian organizations for the Department of Land and Natural Resources to consult with; and
- (2) Making technical, nonsubstantive changes for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1083, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1083, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 474 Education and Housing on S.B. No. 162**

The purpose of this measure is to repeal the Performance Standards Review Commission.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that since the creation of the Performance Standards Commission in 1991, the Department of Education has assessed its standards to ensure that the standards reflect the needs of students as well as meet the educational goals adopted by the Board of Education. Your Committee further finds that since 1997, the Department has convened the Performance Standards Review Commissions every four years, as specified in section 302A-201, Hawaii Revised Statutes. The Commission's reports have consistently confirmed and reinforced the independent findings of the Department, and the efforts of the Performance Standards Review Commission have only duplicated the efforts of the Department of Education.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 475 Judiciary and Government Operations on S.B. No. 259**

The purpose of this measure is to allow persons seventy-five years of age or older to claim exemption from jury duty, beginning January 1, 2010.

Your Committee received testimony in support of this measure from the AARP. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Existing law allows persons eighty years old or older to claim an exemption from jury duty. Your Committee finds that seventy-five years of age is an appropriate threshold age to provide a person called for jury duty with the discretion to claim an exemption or to choose to serve on a jury.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 259 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 476 (Majority) Judiciary and Government Operations on S.B. No. 654**

The purpose of this measure is to allow for election-day voter registration.

Your Committee received testimony in support of this measure from The League of Women Voters of Hawaii, Common Cause Hawaii, and American Civil Liberties Union of Hawaii. Comments were received from the Office of Election. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that election-day voter registration permits eligible voters to register and vote on primary and general election days. This enhances the participatory democracy process and promotes increased voter turnout.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 654 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Gabbard).

**SCRep. 477 Judiciary and Government Operations on S.B. No. 848**

The purpose of this measure is to make permanent provisions of the law pertaining to copper theft and the purchase of copper by scrap dealers, as contained in Act 197, Session Laws of Hawaii 2007.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Honolulu Department of the Prosecuting Attorney, Honolulu Police Department, and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that copper thefts have had a great impact on the residents of Hawaii. Copper thieves have dismantled street lights, caused power outages, and caused the closure of parks and other facilities. One attempted theft resulted in the death of an individual.

Act 197 took a two-pronged approach to the problem by:

- (1) Establishing theft of copper as a felony offense; and
- (2) Imposing additional requirements on scrap dealers and those that sell copper to scrap dealers to deter the sale of stolen copper. A two-year sunset date, of July 1, 2009, was placed on the Act 197 amendments to allow for an assessment of the Act's effectiveness.

Your Committee finds that during the two-year period in which the copper theft provisions have been in effect, Act 197 has had a positive impact and has greatly facilitated the investigation and prosecution of copper theft offenses. Therefore, your Committee believes that Act 197 should be made permanent.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 848 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 478 Judiciary and Government Operations on S.B. No. 856**

The purpose of this measure is to extend the expiration date of the Hawaii state identification card from six to eight years after the year of issuance, beginning after July 1, 2009.

Your Committee received testimony in support of this measure from Department of the Attorney General and The League of Women Voters of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the eight-year period of validity for the Hawaii state identification card is consistent with the period of validity applicable to Hawaii driver licenses. This measure would facilitate compliance with the federal Real ID Act, which requires that driver licenses and identification cards not exceed an eight-year period of validity for each issuance.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 479 Judiciary and Government Operations on S.B. No. 906**

The purpose of this measure is to allow interactive conference technology to replace videoconferencing as a permitted means of holding meetings of boards and commissions under the sunshine law.

Your Committee received testimony in support of this measure from the Governor's Office; Hawaii State Council on Developmental Disabilities; Disability & Communication Access Board; and The League of Women Voters of Hawaii. Comments were received from the Office of Information Practices. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure defines “interactive conference technology” as any form of audio or audio and visual conference technology, including teleconference, videoconference, and voice over internet protocol, that facilitates interaction between the public and board members.

The intent of this measure is to amend the current videoconference meeting requirements by allowing public agency meetings that only use audio communications, by requiring that the meetings by audio communication without the use of video technology meet specific requirements that would enable the members of the board or commission and the public to participate as fully as they may be able without being physically present at the meeting. The measure introduces a new definition entitled “interactive conference technology” to include different and more current technological means of communication, that allows meetings to take place even though one or more members of the board or commission is not meeting in the same location.

The measure retains all of the video conference requirements on quorum, voting requirements of the members on the board or commission, and notice of meetings and meeting location requirements.

Your Committee finds that this measure would facilitate the holding of public agency meetings without violating the spirit and intent of Hawaii’s sunshine law. Members of boards and commissions and the public who reside on neighbor islands and who find it difficult to travel because of economic, health, or other reasons, would still be able to participate in meetings that are usually held in Honolulu.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 906 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 480      Judiciary and Government Operations on S.B. No. 1215**

The purpose of this measure is to propose a constitutional amendment to require candidates for the state Senate or House of Representatives to be a resident of the legislative district from which the person is a candidate for a period of not less than twelve consecutive months prior to the next succeeding general election.

Your Committee received testimony in support of this measure from The League of Women Voters of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that a candidate for legislative office should possess adequate knowledge of the district the candidate seeks to represent. Your Committee believes that requiring that the candidate reside in the district the candidate seeks to represent for at least twelve months prior to the general election would help facilitate an understanding of the concerns and interests of the district’s constituency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1215 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Gabbard).

**SCRep. 481      Labor on S.B. No. 309**

The purpose of this measure is to allow sheriffs’ chaplains to be entitled to workers’ compensation if injured while performing services for the Department of Public Safety.

This measure defines a sheriffs’ chaplain as a member of an authorized chaplaincy program of the Department of Public Safety who performs functions similar to a police chaplain in a voluntary and unpaid capacity for the Sheriff Division.

Testimony in support of this measure was submitted by the Department of Public Safety. A copy of the written testimony is available for review on the Legislature’s website.

Your Committee finds that sheriffs’ chaplains should receive the same workers’ compensation benefits as other volunteers such as police chaplains, who currently receive workers’ compensation benefits, as sheriffs’ chaplains perform services similar to those provided by police chaplains.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 309 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 482      Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 721**

The purpose of this measure is to change the authority of the Hawaii Community Development Authority (HCDA) to assess the costs of providing public facilities against real property in the community development district from mandatory to discretionary.

Testimony in support of this measure was submitted by one private organization and five public citizens. Testimony in support of the intent of the measure, with comments, was provided by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature’s website.

Your Committee finds that currently, the HCDA is required to assess part of the cost of providing public facilities within improvement districts against real property specially benefiting from such improvements. However, there are concerns from affected small business landowners that these mandatory assessments could make it prohibitive to do business within the HCDA improvement districts. Further, landowners may also lose property to accommodate improvements, such as widening of rights-of-way. Your Committee finds that these hardships may be better addressed if the HCDA is given specific discretion regarding whether to assess these costs or not.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 721 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 483 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1108**

The purpose of this measure is to extend the sunset date of the 'Aha Kiole Advisory Committee to 2011.

Testimony in support of this measure was submitted by four private organizations and one public citizen. Testimony in support of the measure, with comments or suggestions, was submitted by one private organization. Testimony in opposition to the measure was submitted by one state agency and one private individual. Comments were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the 'Aha Kiole Advisory Committee (AKAC) was created in 2007 to create a system of best practices based upon the indigenous resource management practices of traditional moku (regional) boundaries that acknowledges the natural contours of land and the specific resources located within those areas. Even with limited resources, the AKAC has been working diligently with moku representatives and ahupua'a communities since that time, to restore the Aha Moku System state-wide. Your Committee finds that this restored system will provide valuable aid to the State in our goal of ecosystem sustainability in Hawaii. Your Committee further finds that more time is needed by the AKAC to continue and complete its important work, as outlined in the 2009 Legislative Report submitted to the Legislature by the AKAC. Accordingly, your Committee finds that extending the sunset date of the AKAC is in the public's best interests.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1108 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 484 Human Services on Gov. Msg. No. 297**

Recommending that the Senate advise and consent to the nomination of the following:

STATE REHABILITATION COUNCIL

G.M. No. 297 JONATHAN J. CHUN, for a term to expire 6-30-2012.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Jonathan J. Chun to have the necessary qualifications to be nominated to the State Rehabilitation Council.

Testimony in support of the nomination of Jonathan J. Chun was submitted by the Department of Human Services, the Mayor of Kauai, the Kauai County Office of the County Attorney, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Chun received his Juris Doctorate, Cum Laude, from Gonzaga School of Law and a Bachelor of Arts degree from the University of Hawaii. He is currently an Attorney with Belles Graham Proudfoot Wilson & Chun, LLP. Mr. Chun has served previously as a State Senator for the Seventh Senatorial District, in which capacity he held various leadership positions. He has also worked for the County of Kauai Office of the County Attorney as the First Deputy County Attorney, the City and County of Honolulu's Department of the Corporation Counsel as Deputy Corporation Counsel, and White & Tom as an Associate.

Mr. Chun has contributed to numerous community organizations on Kauai. He has served as a Board member or been active in organizations including King Kaumualii Elementary School, Hoike Public Access Television, and Lihue Missionary Church. Mr. Chun represents the Workforce Development Council on the State Rehabilitation Council and is the current Chair of the State Rehabilitation Council. According to testifiers, he has been actively involved in the work of the State Rehabilitation Council, and his knowledge, experience, and dedication to the Kauai community as a practicing attorney, former Senator, and community volunteer make him an excellent nominee for the State Rehabilitation Council.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 485 Human Services on Gov. Msg. Nos. 298, 300 and 301**

Recommending that the Senate advise and consent to the nominations of the following:

EARLY LEARNING COUNCIL

- G.M. No. 298 CHARLES E. LARSON, for a term to expire 6-30-2010;  
 G.M. No. 300 CRYSTAL RAY K. NAONE, for a term to expire 6-30-2010; and  
 G.M. No. 301 LORA A. PERRY, for a term to expire 6-30-2011.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Charles E. Larson, Crystal Ray K. Naone, and Lora A. Perry to have the necessary qualifications to be nominated to the Early Learning Council.

Testimony in support of the nomination of Charles E. Larson was submitted by one organization and two individuals.

Mr. Larson earned a Bachelor's degree in Education. He is currently the Director of Seagull Schools and has worked previously as a Kauai Head Start Trainer Consultant and Teacher at the Family Services Center in Kalihi. Mr. Larson was instrumental in the establishment of the Childcare Business Coalition in 1997. He has also served as President of the Hawaii Intergenerational Network and as a member of the Kokua Council.

According to testifiers, Mr. Larson would provide a wealth of knowledge on developing successful public-private partnerships to promote early education. Mr. Larson is known as an innovator and collaborator in the field of Early Education and was recognized for his creativity in 2006, when he received the Kapolei Outstanding Achievement Award for Entrepreneur of the Year.

Testimony in support of the nomination of Crystal Ray K. Naone was submitted by one organization.

Dr. Naone earned her Doctorate of Philosophy, Master of Arts, and Bachelor of Arts degrees in Political Science from the University of Hawaii at Manoa. She is the Chief Executive Officer of the Institute for Native Pacific Education and Culture, the former Community Relations and Development Director of the Keiki O Ka Aina Family Learning Centers, and the former Executive Director of the Pa Lehua Project. Dr. Naone has also previously handled business operations for Productions K2 Culture Seminars, danced hula professionally, and served as a Hawaiian Immersion Teacher at several schools.

According to testimony, Dr. Naone is very knowledgeable in improving learning environments and programs for Native Hawaiian children. She is experienced in elementary education and family child learning programs and would be a valuable member of the Early Learning Council.

Testimony in support of the nomination of Lora A. Perry was submitted by one organization and four individuals.

Ms. Perry earned a Master's degree in Elementary Education from the University of Hawaii, a Bachelor's degree in Organizational Management from Hawaii Loa College, and an Associate's degree in Early Education from Honolulu Community College. She also has a Child Development Associate credential.

Ms. Perry is currently the Co-Director of Na Pono No Na Ohana, a program of the Partners in Development Foundation. She also serves as an Equipped for the Future Cadre Member and a Consultant/Trainer for Education for Adults and Children Programs in the State of Hawaii. She has previously held numerous positions as a coordinator, trainer, or teacher for programs and schools such as Blanche Pope Elementary's Even Start Program, People Attentive to Children, Nuuanu Preschool, and Kamehameha Schools.

Ms. Perry is described by testifiers as a well-qualified trainer and mentor who is dedicated to providing families with high-quality education. She is an expert in the field of Early Childhood Education and currently directs an exemplary family education program. As an administrator, she is experienced in managing programs, collaborating with both state and federal governmental agencies, and advocating for early childhood and family education learning. Ms. Perry's passion, experience, and knowledge would make her a valuable member of the Early Learning Council.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
 Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 486 Human Services on Gov. Msg. Nos. 302, 424, 425 and 426**

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS (PABEA)

- G.M. No. 302 GARY SIMON, for a term to expire 6-30-2013;  
 G.M. No. 424 MARTIN E. ARTHUR II, for a term to expire 6-30-2013;  
 G.M. No. 425 PATRICK J. DUARTE, for a term to expire 6-30-2013; and  
 G.M. No. 426 GARY Y. FUJITANI, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Gary Simon, Martin E. Arthur II, Patrick J. Duarte, and Gary Y. Fujitani to have the necessary qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

Testimony in support of the nomination of Mr. Simon was submitted by the Executive Office on Aging and six individuals.

Mr. Simon earned a Bachelor's degree in Chemistry from the University of Hawaii. He currently serves as the Administrative Director of St. Francis Hospice, Director of St. Francis Health Services for Senior Citizens, and Manager of the St. Francis Lifeline

Program. He has previously served as Business Manager and Office Manager of St. Francis Hospice, and as the Executive Assistant and Office Manager of Focus Technologies, Inc., in Washington, D.C.

Mr. Simon has been a member of the Policy Advisory Board for Elder Affairs (PABEA) since 2005. As a PABEA member, he has held several leadership positions, including First Vice Chair of PABEA, Chairman of the Plans and Projects Committee, and Chairman of the Legislative Committee. He has also been a member of the Executive, Rules and Bylaws, and Legislative Committees. Additionally, Mr. Simon has been a participant or representative in other organizations, such as the Aloha Council, Boy Scouts of America, Hawaii's Partnership for Appropriate and Compassionate Care, the Manoa Youth Baseball League, and the Hawaiian Islands Hospice Organization.

Mr. Simon has been described by testifiers as a tireless administrator who is committed, compassionate, hard-working, knowledgeable, and humble. He has proven to be a successful leader, encouraging his co-workers while making difficult business decisions that have led to growth of St. Francis Hospice and improved benefits for patients, families, and physicians.

Testimony in support of the nomination of Mr. Arthur was submitted by the Executive Office on Aging.

Mr. Arthur currently teaches adult education classes on basic computer skills and Microsoft applications at Kauai Community College. He has also worked as a radio broadcaster and manager of several radio stations, including KTOH, KNDI, KGU, KLEI, and KIVM. According to the Executive Office on Aging, Mr. Arthur is a caregiver who has worked with veterans and people with disabilities, and would bring valuable insights and a sincere regard for the needs of caregivers and the elderly, especially on the island of Kauai.

Testimony in support of the nomination of Mr. Duarte was submitted by the Executive Office on Aging.

Mr. Duarte earned a Master's in Business Administration from the University of California, Los Angeles, and a Bachelor's in Economics from the University of Hawaii. He is currently the President and Chief Executive Officer of Kahala Senior Living Community, Inc., the operator of a non-profit continuing care retirement community. His previous work experience includes Senior Vice President of the Bernice Pauahi Bishop Museum, Senior Vice President of the Hawaii Dental Service, President and Chief Executive Officer of Rehabilitation Hospital of the Pacific, and Management Analyst of Straub Clinic & Hospital, Inc.

Mr. Duarte has also been an active community member and volunteer. He has volunteered with Aloha United Way's Community Building Division for nearly twenty-five years. He has also been a Board member of the Health Care Association of Hawaii, the National Association of Rehabilitation Facilities, the State Health Planning and Development Agency, and Mental Health Kokua. Mr. Duarte's work and volunteer experience have given him a greater understanding of and insights into the issues of the elderly and their families.

Testimony in support of the nomination of Mr. Fujitani was submitted by the Executive Office on Aging.

Mr. Fujitani earned a Higher Accounting Degree with honors from Honolulu Business College. He is currently the Executive Director for the Hawaii Banking Association and is a retired Senior Vice President and Manager of the Business Services Division of First Hawaiian Bank. He was previously the Assistant Vice President of Investors Finance, Inc. and received recognition as one of the "Outstanding Young Men in America" in 1976.

In addition to providing leadership at work, Mr. Fujitani has served as Director, Officer, or President of organizations such as the Neighborhood Board No. 10, the Japanese Cultural Center of Hawaii, Physician's Exchange, Hawaii Jaycees, and the Waikiki School Parent Teacher Association. Testimony by the Executive Office on Aging indicates that Mr. Fujitani understands the issues facing Hawaii's aging population and would provide valuable insights and a sincere regard for the needs of Hawaii's elderly and caregivers.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 487 Human Services on Gov. Msg. Nos. 427 and 428**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

G.M. No. 427 MICHAEL R. DIAS, for a term to expire 6-30-2011; and

G.M. No. 428 MYRNA B. MURDOCH, for a term to expire 6-30-2011.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Michael R. Dias and Myrna B. Murdoch to have the necessary qualifications to be nominated to the Commission on Fatherhood.

Testimony in support of Mr. Dias was submitted by the Department of Human Services.

Mr. Dias earned a Bachelor of Arts in Social Science and English, with a Minor in Hawaiian Studies, from the University of Hawaii at Hilo. He is currently an Employment Specialist with Alu Like, Inc., Hawaii Island Center, and an instructor for the Na Pua Noeau-Hoomalamalama Program at the University of Hawaii at Hilo. His previous work experience at Alu Like, Inc. includes serving as the Father Involvement Specialist for Hookahua Early Childhood Development in Honolulu, Native Hawaiian Vocational Education Program Specialist for the Native Hawaiian Vocational Education Program in Honolulu, and the Hawaii Island Representative for the Multi Service Program in Hilo.

Mr. Dias has served on the Commission on Fatherhood since 2006. He has many years of experience in the field of Human Services and is familiar with data, research, programs, and developments concerning fathers and families. According to the Department of Human Services, Mr. Dias is a father himself and would be a strong advocate for fathers, children, and families.

Testimony in support of Ms. Murdoch was submitted by the Department of Human Services.

Ms. Murdoch earned a Master's degree with honors in European Languages from the University of Hawaii at Manoa and a Bachelor of Arts with honors from the University of Victoria in Canada. She has previously worked as a Legislative Assistant for Senator Suzanne Chun-Oakland, English Tutor for Hawaii Pacific University, Associate Vice President of Dean Witter Morgan Stanley, Chief Executive Officer and Founder of Folies Beargeres, stock broker for E.F. Hutton, and teacher's assistant.

Ms. Murdoch has also served on the Commission on Fatherhood since 2006. She has been an active volunteer, serving as a Board member for the Honolulu Theater for Youth, Junior League of Honolulu, and St. Francis School for Girls, as a Punahou School class parent, and as a member of the Punahou Parent Faculty Association, the Young Men's Christian Association, and other charitable organizations. Ms. Murdoch founded the Children's Rights Council of Hawaii in 2002 and served on the Board of Trustees of the national Children's Rights Council in 2004. Testimony submitted by the Department of Human Services indicates that Ms. Murdoch would contribute valuable knowledge and insight on parenting, children, and accessing community funds and support.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 488 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 369**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON TRANSPORTATION

G.M. No. 369 OWEN MIYAMOTO, for a term to expire 6-30-2013.

Your Committee received testimony in support of Owen Miyamoto from the Department of Transportation; American Society of Civil Engineers; Consulting Structural Hawaii Incorporated; Hawaii Pacific Engineers, Incorporated; Airport Concessionaires Committee; Hawaii 3R's; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Miyamoto received a B.S. degree in civil engineering from the University of Hawai'i and an M.S. degree in civil engineering from the University of Illinois. He is also a registered Professional Engineer in Hawai'i. Mr. Miyamoto has an outstanding record of government service, serving the State of Hawai'i in numerous capacities, including Airports Administrator for twenty-seven years. During his forty-four year career with the State Department of Transportation, he assumed many duties, accumulated an exemplary performance record, and gained a keen understanding of the workings and challenges of our state airport and highway system.

Your Committee notes that the nominee has served as Administrator for the Airports Division of the Department of Transportation, in which he was responsible for the management of the statewide airports system from small general aviation airports to the Honolulu International Airport. Mr. Miyamoto's expertise and experience as a current member of the Commission on Transportation will allow him to contribute significantly to the work of the Commission.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Espero, Nishihara).

**SCRep. 489 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 370**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I SISTER STATE COMMITTEE

G.M. No. 370 ANITA MAE K. NAONE, for a term to expire 6-30-2013.

Your Committee received testimony in support of Anita Mae K. Naone from the Department of Business, Economic Development, and Tourism; Association of Hawaiian Civic Clubs; and Hawaiian Civic Club of Honolulu. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Anita Mae K. Naone attended Windward Community College. She is currently the Forward Equal Employment Opportunity Manager for the United States Army Corps of Engineers, Pacific Division, Fort Shafter Hawaii. Ms. Naone has full authority to plan, organize, direct, staff, implement, and evaluate a management-oriented affirmative employment program designed to assist management in accomplishing the assigned mission, as well as resolving complaints and solving day-to-day issues. From 1985 to 1994, the nominee served as the Equal Employment Opportunity Officer for Pacific Ocean Division/Honolulu Engineer District for the Department of the Army. Your Committee notes that Ms. Naone has completed a number of management-related training and education workshops.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Nishihara).

**SCRep. 490      Transportation, International and Intergovernmental Affairs on Gov. Msg. Nos. 368 and 371**

Recommending that the Senate advise and consent to the nominations of the following:

HARBORS MODERNIZATION GROUP

G.M. No. 368    EDWARD W. ENOS JR., for a term to expire 6-30-2010; and  
G.M. No. 371    GARY J. NORTH, for a term to expire 6-30-2012.

Your Committee received testimony in support of Edward W. Enos, Jr., from the Department of Transportation; Department of Business, Economic Development, and Tourism; Aloha Tower Development Corporation; Matson Navigation Company; Amergent Techs; Hawaii Superferry; and Rosehill and Associates.

Edward W. Enos, Jr., received a Bachelor of Science degree in Nautical Industrial Technology from the California Maritime Academy. He is currently a Hawaii State Harbor Pilot and Vice-President of the Hawaii Pilots Association. Mr. Enos has served in the United States Navy and the United States Merchant Marines Reserve. The nominee holds a First Class Pilot License, Deep-Draft Commercial Harbors, State of Hawaii. Mr. Enos has been a member of the Hawaii Pilots Association since 1994.

Your Committee received testimony in support of Gary J. North from the Department of Transportation; Department of Business, Economic Development, and Tourism; Aloha Tower Development Corporation; International Longshore and Warehouse Union; Hawaii Superferry; Matson Navigation Company; Tesoro Hawaii Corporation; Ameron Hawaii; Aloha Cargo Transport; Maui County Farm Bureau; Hawaii Farm Bureau; Hawaiian Cement; and Young Brothers, Limited.

Gary J. North received a Bachelor of Science degree in Business from Brigham Young University Hawaii. He is also a graduate of the Massachusetts Institute of Technology's Program for Senior Executives. Mr. North is retired from being the Vice President, Pacific, of Matson Navigation Company, Inc., and President of Matson Terminals, Inc., where he was employed since 1967, with a break in service for a period with United States Lines from 1977 to 1987. The nominee is an original member of the Hawaii Harbor Users Group (HHUG).

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Nishihara).

**SCRep. 491      Transportation, International and Intergovernmental Affairs on Gov. Msg. Nos. 367, 431, 432, 433 and 434**

Recommending that the Senate advise and consent to the nominations of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 367    ANITA DIMAURO, for a term to expire 6-30-2013;  
G.M. No. 431    EVAN K. CHING, for a term to expire 6-30-2013;  
G.M. No. 432    CHARLES M. HIRATA, for a term to expire 6-30-2013;  
G.M. No. 433    GEORGE L. KEKUNA, for a term to expire 6-30-2013; and  
G.M. No. 434    MITCHELL S. NAKAGAWA, for a term to expire 6-30-2013.

Your Committee received testimony in support of Anita Di Mauro from the Department of Transportation; and Mothers Against Drunk Driving Hawaii.

Anita Di Mauro received a Bachelor of Arts degree from Elmira College in Elmira, New York. She has been a member of Mothers Against Drunk Driving in Hawaii since 1984, and was on the MADD National Board from 2001-2002. From 1987-1989, Ms. Di Mauro was the Chair of Drug Addiction Services of Hawaii (DASH).

Your Committee received testimony in support of Evan K. Ching from the Department of Transportation.

Evan K. Ching received a Bachelor of Arts degree in Psychology from the University of Hawaii. He has been with the Honolulu Police Department since 1978, most recently as Captain since 2003. Captain Ching has been the Executive Officer of the Traffic Division since 2006. The nominee is also active in a variety of community organizations and activities, receiving the Governor's Kilohana Award for Outstanding Volunteerism in 2001.

Your Committee notes that Evan K. Ching has received the following relevant training in traffic safety: Basic Traffic Accident Investigation, Institute of Police Management and Technology (IPTM); Advanced Traffic Accident Investigation and Reconstruction,



IPTM; Speed Management Workshop; Forum on Traffic Records and Highway Safety Information Systems; New Approaches to Highway Safety Analysis; and Developing a Pedestrian Safety Action Plan.

Your Committee received testimony in support of Charles M. Hirata from the Department of Transportation.

Charles M. Hirata has been with the Maui Police Department since 1977, where he is currently a Captain and Commander of the Lahaina Police District. As a Traffic Commander, Captain Hirata supervises the DUI Task Force and Vehicle Homicide Unit, and is an ex-officio member of the Maui Traffic Safety Council and Maui Street Lighting Committee. Captain Hirata is also a member of the Keiki Injury Prevention Coalition – Safe Kids Hawaii.

Your Committee notes that the nominee introduced the use of laser transit and electronic data collection for traffic crash investigation, and in 2002 administered the Maui County Innovative Seatbelt Demonstration grant. Captain Hirata is the recipient of numerous community service recognition awards, including two awards from MADD for Law Enforcement, a Keiki Injury Prevention Certificate of Recognition in Child Passenger Safety, a Governor's Highway Safety Council Alaka'i Award for Leadership in Traffic Safety in Hawaii, and a 2001 Hawaii State Senate Certificate in Recognition for Contributions to Improve Traffic Safety.

Your Committee received testimony in support of George L. Kekuna from the Department of Transportation.

George L. Kekuna received a Bachelor of General Studies degree from Chaminade University and a Master of Arts degree from Central Michigan University. He retired from the United States Air Force in 1981 as a Lieutenant Colonel. He has since served as the Deputy Director-Designate with the Oahu Civil Defense Agency; Executive Assistant to the Mayor of Honolulu; and Deputy Director of the Honolulu Department of Auditoriums.

Your Committee received testimony in support of Mitchell S. Nakagawa from the Department of Transportation; Peoples Advocacy for Trails Hawaii; and three individuals.

Mitchell S. Nakagawa received a Bachelor of Arts degree from the University of Washington. He is currently the Executive Director of the Hawaii Bicycling League. Your Committee notes that since 2007 he has been a member of the Oahu Metropolitan Planning Organization, and of the Honolulu Mayor's Advisory Committee on Bicycling.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Nishihara).

**SCRep. 492 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 254**

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 254 ROBERT D. HAUFF, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Robert D. Hauff to have the requisite qualifications to be nominated to the Advisory Committee on Pesticides.

Testimony in support of the nomination of Mr. Hauff was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Hauff received his Bachelor's degree from the University of Washington and his Master's degree in Forestry from Yale University. Mr. Hauff is currently a member of the Advisory Committee on Pesticides and satisfies the requirement that a member represent the Department of Land and Natural Resources. Mr. Hauff is presently employed as a Forest Health Coordinator with the Department of Land and Natural Resources, Division of Forestry and Wildlife. He has also worked as an Ecologist with the United States Department of Agriculture Forest Service Institute of Pacific Islands Forestry. Mr. Hauff's background includes familiarity with pesticide labels, use of herbicides in wildland settings, risk assessment methodology, and an understanding of fundamental plant biology and his specific graduate coursework includes soil science, forest hydrology, and statistical analysis. Mr. Hauff uses this background to ensure that conservation pesticide issues are accurately characterized in committee meetings.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Takamine, Hemmings).

**SCRep. 493 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 435**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 435 PAULA J. HEGELE, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Paula J. Hegele to have the requisite qualifications to be nominated to the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of the nomination was submitted by one state agency, two organizations, and two public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Hegele was nominated to serve as the Maui representative on the Board of Directors. She is presently the President and General Manager of Tedeschi Vineyards, Ltd., the only commercial winery on Maui. Ms. Hegele oversees the winery operations including a twenty-three acre vineyard, the manufacture of value added wine products, marketing, and a retail visitor center. Tedeschi Vineyards, Ltd. was recognized by the United States Small Business Administration as the 2000 Small Business Exporter of the Year.

Ms. Hegele was the founder and organizer of the Maui Agricultural Trade Show, also known as the Ulupalakua Thing, which for thirteen years featured local agriculture and introduced Maui buyers to Maui farmers. She is a Board member and past President of the Made in Maui Trade Council and a member and past President of the Maui Island Chapter of the Hawaii Food Manufacturers Association. Ms. Hegele has nearly two decades experience with diversified agriculture and extensive knowledge of the agriculture business from farming to marketing.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Takamine, Hemmings).

**SCRep. 494 (Majority) Labor on S.B. No. 688**

The purpose of this measure is to establish worker retention requirements upon the divestiture of a covered establishment.

Testimony in support of the measure was submitted by seven organizations. Testimony in opposition to the measure was submitted by one state agency and three organizations. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that this measure would address the problem of layoffs of employees due to the sale or ownership change of a business and provides for some stability during the transition.

Your Committee further finds that this measure provides for employees to be treated as valued stakeholders in a business and promotes the fair and respectful treatment of existing employees during the sale or ownership change of a business.

Your Committee acknowledges the concern that this measure may impact the value of a business and the ability of owners to operate the business. However, your Committee believes that this measure also provides sufficient protections to successor employers by allowing successor employers to conduct legal, pre-hire screening to ensure a standard of quality among incumbent employees, to retain fewer than the total number of incumbent employees in certain situations, and to retain the right to manage all employees.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 688 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 495 Energy and Environment on S.B. No. 942**

The purpose of this measure is to amend the State's underground storage tank laws to ensure compliance with the federal Energy Policy Act of 2005, P.L. 109-58, to ensure that the Department of Health is eligible for federal grants.

Testimony in support of this measure was submitted by the Department of Health. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, without the amendments in this measure, the Department of Health may lose approximately \$450,000 of annual federal funds that it now receives from the United States Environmental Protection Agency for the Department of Health's Underground Storage Tank and Leaking Underground Storage Tank programs. The amendments to the State's underground storage tank law contained in this measure allow the Department of Health, before holding a contested hearing, to prohibit the delivery of petroleum products to underground storage tanks that violate the law. Your Committee finds that these amendments are intended to deal specifically with ineligible tanks and are not meant to close the facilities where the ineligible tanks are located.

Your Committee has amended this measure by:

- (1) Specifying in the purpose clause that conformance with federal law is being achieved by appropriate amendments to the State's underground storage tank laws; and
- (2) Making technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 942, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Green, Kokubun).

**SCRep. 496      Judiciary and Government Operations on S.B. No. 105**

The purpose of this measure is to clarify the conservatorship law by requiring:

- (1) The court, in appointing a conservator or in making a protective order, to make a determination that there is clear and convincing evidence that the individual is unable to manage property and business affairs effectively because of an impairment in ability to receive and evaluate and communicate decisions, because of another physical, mental, or health impairment or because the individual is missing, detained, or unable to return to the United States; and
- (2) A petition to appoint a conservator or for a protective order that alleges a physical, mental, or health impairment to state or contain a brief description of the nature and extent of the respondent's alleged impairment.

Your Committee received testimony in support of this measure from the Judiciary-Uniform Probate Code and Probate Court Practices Committee. Copies of written testimony on this measure are available for review on the Legislature's website.

Your Committee finds that this measure restores flexibility in the criteria applied by the court in deciding whether the appointment of a conservator is appropriate, without impairing the rights of respondents in protective proceedings.

The testimony of the Uniform Probate Code and Probate Court Practices Committee indicated that the current statutory language has had unintended consequences: the court cannot appoint a conservator for an individual with physical challenges who might welcome and benefit from a protective arrangement if the individual can receive and evaluate information and can make and communicate decisions. As a remedy, this measure partially restores criteria applicable prior to January 1, 2005 (when Act 161, Session Laws of Hawaii 2004, the Uniform Guardianship and Protective Proceedings Act took effect). This measure will improve conditions for those seeking protection without detriment to those who do not.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 105, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 497      (Majority) Judiciary and Government Operations on S.B. No. 474**

The purpose of this measure is to propose a constitutional amendment to clarify the appointment process for department heads and members of boards and commissions by requiring the Governor to nominate successors within the time limits required by law.

Your Committee received testimony in opposition to this measure from the Governor. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Article V, section 6, of the Hawaii Constitution provides for the nomination and appointment of executive officers without specifying a time period during which a vacancy in office must be filled. Constitutional provisions, such as section 6, assume, without specifying, that proper and timely nominations and appointments will be made by the Governor and that the time period during which the nominations are submitted to the Legislature will be consistent with the specific time periods during which the Legislature is in session and the Senate is able to properly act on the Governor's nominees. While the custom and practice of the executive branch has generally been to submit timely and proper nominations during legislative sessions, with few exceptions, there is no specific requirement in the Constitution for the Governor to submit nominations to executive offices in a timely manner.

This measure proposes a constitutional amendment that will enable the Legislature to establish a time limit for the Governor to nominate a successor to fill a vacancy in office in an appropriate and timely manner.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 474, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 474, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 1 (Gabbard).

**SCRep. 498      Judiciary and Government Operations on S.B. No. 1184**

The purpose of this measure is to define "confidential witness" to clarify the distinction between the parties to a complaint filed with the Civil Rights Commission and the witnesses that may have provided information to the Commission during its intake and investigation of the complaint.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Committee finds that chapter 368, Hawaii Revised Statutes (HRS) makes references to the "complainant" and "respondent", and collectively refers to them as the "parties" to the complaint. In addition, the chapter makes references to "witnesses" without a clear indication that the references to a witness statement, either confidential or not confidential in section 368-4, Hawaii Revised Statutes, is not intended to include the statements of either of the parties to the complaint. Factual information from witnesses who do not request confidentiality and statements of the parties to the complaint acquired by the Commission may be disclosed, and used by the Commission as evidence in its investigation, conciliation and litigation.

While all statements made by the complainant or respondent may be disclosed under certain conditions, statements by witnesses that request confidentiality may not be disclosed or used as evidence by the Commission, unless otherwise allowed by law. The intent of this measure is to clarify the distinction between statements made by the complainant and the respondent, the parties to the complaint, from statements made by witnesses that are not parties to the complaint.

Your Committee has amended this measure by:

- (1) Clarifying the definition of “confidential witness”, and authorizing the use of factual matters obtained in the course of an investigation by the Commission as evidence, on the recommendation of the Hawaii Civil Rights Commission;
- (2) Changing the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (3) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1184, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 499      Judiciary and Government Operations on S.B. No. 1194**

The purpose of this measure is to provide that it is unlawful for any person to manufacture, buy, sell, barter, exchange, or have in the person’s possession any of the implements commonly known as gaffs or slashers, or any other sharp instrument designed to be attached in place of or to the natural spur of a gamecock or other fighting fowl.

This measure also provides for a tiered system of progressively more serious penalties for repeat offenders.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney; Honolulu Police Department; Humane Society of the United States; Hawaiian Humane Society; Kauai Humane Society; Animal Rights Hawai’i; West Hawaii Humane Society; Maui Humane Society; and five individuals. Testimony in opposition was received from the Office of the Public Defender and four individuals. Copies of written testimony are available for review on the Legislature’s website.

Your Committee finds that this measure is in furtherance of existing law prohibiting cock fighting as cruelty to animals. Testimony indicated that gaffs and slashers have no other use than for infliction of severe injury upon a cockfighting chicken. A similar federal law, the Animal Welfare Act, applies to the sale, purchase, transport, or delivery of gaffs in interstate and foreign commerce. However, the federal law does not apply when the interstate and foreign commerce element cannot be established.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue discussions in this matter, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1194, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 2 (Nishihara, Takamine). Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 500      Public Safety and Military Affairs on S.B. No. 207**

The purpose of this measure is to require the Department of Public Safety to report the death of an inmate or correctional facility employee, to the Legislature, within twenty-four hours.

Testimony in support of this measure was submitted by four private organizations and five individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that prompt notification of a death at a correctional facility or center and the causes thereof enables the Legislature to ensure the accountability of correctional facilities or centers for actions and events taking place on their premises. Your Committee also finds that reporting of a death within twenty-four hours assists the Legislature in establishing policies and practices for implementation by the Department of Public Safety to prevent similar deaths from occurring. Your Committee further finds that this measure assists in the investigation of the death and timely reporting to family members or next of kin.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 207, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 501      Judiciary and Government Operations on S.B. No. 466**

The purpose of this measure is to make it unlawful for any person to operate a leaf blower within a residential zone or within one hundred feet of a residential zone in the State, except between the hours of 8:00 A.M. and 8:00 P.M. on any day except Sunday or a federal holiday, and between the hours of 9:00 A.M. and 6:00 P.M. on Sunday or a federal holiday, under certain specified conditions of operation.

This measure also prohibits:

- (1) Any person to use or operate a leaf blower in such a manner as to blow, dispel, or make airborne, dust, leaves, grass cuttings, paper, trash, or any other type of unattached debris or material, beyond the boundaries of the parcel of property being cleaned, unless the consent of the adjoining owner or person in possession of the adjoining property is obtained; and
- (2) Any person to use or operate a leaf blower within the State in such a way as to blow leaves, dirt, and other debris onto the public rights-of-way or onto private property not owned, leased, or controlled by the leaf blower operator or the employer or contractor of the leaf blower operator and to allow the debris to remain there in excess of thirty minutes.

Your Committee finds that use of leaf blowers poses health and noise pollution concerns for Hawaii citizens, particularly in urban areas. This measure addresses some of these concerns by placing certain restrictions on the use of leaf blowers.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions, and making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 466, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 502 (Majority) Judiciary and Government Operations on S.B. No. 1040**

The purpose of this measure is to prohibit smoking during community events that occur:

- (1) On public beaches and beach parks;
- (2) In public parks and recreational areas;
- (3) In other recreational areas designated as recreational by the state or county agency organizing or funding the community event; and
- (4) In areas within twenty feet of a nonsmoking area, if the nonsmoking area is within the site of the community event.

This measure defines "community event" as any function of over twenty-five people organized by a state or county agency or fully or partially funded by a state or county agency, for the benefit of the community, including tourists and visitors.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1040, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 503 Judiciary and Government Operations on S.B. No. 1352**

The purpose of this measure is to ease the backlog in land court recording and registration by:

- (1) Transferring fee simple time share interest from the land court system (Torrens) to the regular system; and
- (2) Establishing a pilot program to implement electronic recording of fee simple time share interest.

This measure is recommended by the joint legislative investigative committee established pursuant to Senate Concurrent Resolution No. 226, adopted during the 2007 regular legislative session, which identified serious shortcomings relating to the Bureau of Conveyances' operational mismanagement, potential loss of revenue, and potential areas of vulnerability. The joint legislative investigative committee recognized that automation of certain functions in the Bureau of Conveyances may address one of the major underlying problems, work backlog. Modernizing through electronic recordation will improve efficiency, however, a gradual approach will prevent the existing work backlog from increasing due to a shift in procedures.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1352, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1352, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 504 (Majority) Judiciary and Government Operations on S.B. No. 1181**

The purpose of this measure is to require that every contract for a public works project, to which a government contracting agency is a party, include in the contract a provision that a certified copy of a fringe benefit reporting form is to be submitted weekly to the governmental contracting agency for review.

The fringe benefit reporting form under this measure, requires the itemization of the cost of fringe benefits paid by the general contractor or subcontractor for:

- (1) Health and welfare benefits;
- (2) Pension and annuity benefits;
- (3) Vacation benefits;
- (4) Continuing education and training benefits; and
- (5) Other fringe benefit costs paid by the general contractor or subcontractor.

Your Committee finds that the current reporting of fringe benefits by employers is inadequate, and that there should be a reasonable way for laborers to determine the itemization of their fringe benefits through public records. Employers are currently only required to check a box indicating that they are in compliance with the payment of fringe benefit wages required under chapter 104, Hawaii Revised Statutes. Hourly wages, but not fringe benefits, are listed as itemized payments to prove compliance.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1181, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1181, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 505      Transportation, International and Intergovernmental Affairs on S.B. No. 1268**

The purpose of this measure is to allow counties, with regard to housing, to issue affordable housing credits to the Department of Hawaiian Home Lands, and to allow the Department of Hawaiian Home Lands to transfer or assign credits.

This measure further allows the credits to be applied to satisfy the affordable housing obligations imposed by the county.

Your Committee received testimony in support of this measure from the Department of Hawaiian Homelands; Sovereign Councils of the Hawaiian Homelands Assembly; Hawaii Developers' Council; Gentry Homes, Limited; Building Industry Association of Hawaii; the Chamber of Commerce of Hawaii; Kamehameha Schools; and Maluohai Residents' Association. Comments were received by the City and County of Honolulu. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that private-sector development of affordable homes for the Department of Hawaiian Home Lands beneficiaries is a key element in helping to solve Hawaii's affordable housing shortfall. By increasing the supply of homes on the Department of Hawaiian Home Lands properties, the overall supply of homes in the State is increased, thus making more homes available for the people of Hawaii. Allowing affordable housing credits to be applied to other projects located in the same county in which the credits are earned may serve as an incentive for the private sector to participate with the Department of Hawaiian Home Lands affordable housing program.

Your Committee has amended this measure to require county approval within sixty days after transfer or assignment of credits by the Department of Hawaiian Home Lands.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1268, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1268, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 506      Transportation, International and Intergovernmental Affairs on S.B. No. 564**

The purpose of this measure is to permit, rather than require, the county fire chief to conduct an inspection of all buildings and premises to provide fire prevention and pre-fire planning at an interval of an unspecified number of years.

Your Committee received testimony in support of this measure from the State Fire Council and the Honolulu Fire Department. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would allow fire inspections to be conducted in accordance with fire and life safety risks of the building rather than on a schedule based solely on time. Thorough and complete fire inspections reduce the risk of fire but are time-consuming because repeated follow-up inspections are required until compliance is achieved. Fire departments can utilize their limited resources more efficiently and effectively by focusing on structures with high risk and occupancy, such as assembly buildings and high rises.

Your Committee has amended this measure by maintaining the requirement for inspection and reducing the frequency of inspection by inserting an inspection period of at least once every five years for buildings and premises other than public schools which remain at least once each year.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 564, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 564, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 507      Transportation, International and Intergovernmental Affairs on S.B. No. 440**

The purpose of this measure is to require counties to accept or reject a public infrastructure dedication that is part of an affordable housing project within sixty days of the filing of a dedication request.

Your Committee received testimony in support of this measure from the Affordable Housing Regulatory Barriers Task Force and Hawaii Housing Finance and Development Corporation. Testimony in opposition was received from the City and County of Honolulu. Comments were received from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure coincides with recommendations of the Affordable Housing Regulatory Barriers Task Force. The Task Force worked over a period of eighteen months to identify barriers to affordable housing development and to formulate appropriate remedies. The intent of this measure is to incentivize the development and construction of affordable housing projects by removing an inadvertent delay attributable to acceptance by the counties of infrastructure dedication of housing projects.

Your Committee has amended this measure by:

- (1) Allowing a maximum period of ninety days for the county to accept a dedication request;
- (2) Clarifying that the dedicated infrastructure conform to applicable county standards;
- (3) Requiring as a proviso that completion of the improvements comprising the infrastructure be granted approval by the counties;
- (4) Deleting reference to building codes and building inspectors; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 440, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 440, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 508      Transportation, International and Intergovernmental Affairs on S.B. No. 295**

The purpose of this measure is to:

- (1) Allow hybrid vehicles and energy-efficient vehicles to use high occupancy vehicle lanes; and
- (2) Define "energy-efficient vehicle" and "hybrid vehicle" for purposes of the traffic code.

Your Committee received testimony in support of this measure from the Department of Transportation; the Hawaiian Electric Company, Incorporated and its subsidiary utilities, Maui Electric Company, and Hawaii Electric Light Company; and the Sierra Club. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would promote the increased use of fuel efficient hybrid vehicles. Increased consumer acceptance of energy-efficient vehicles, including hybrid vehicles, will aid in the reduction of greenhouse emissions and fossil fuel use. This measure also furthers the Hawaii Clean Energy Initiative's goal of utilizing seventy per cent clean, renewable energy by 2030.

Your Committee has amended this measure by:

- (1) Adding plug-in hybrid electric vehicles as vehicles allowed to use HOV lanes; and
- (2) Clarifying the definition of "high occupancy vehicle lane" to include hybrid vehicles and energy-efficient vehicle without regard to the number of occupants, which is the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 295, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 295, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 509      Commerce and Consumer Protection on S.B. No. 606**

The purpose of this measure is to allow the board of directors of a condominium association to install or allow the installation, where appropriate, of solar energy or wind energy devices on common elements.

Your Committee received testimony in support of this measure from the Sierra Club Hawai'i Chapter and Blue Planet Foundation. Testimony with comments on this measure was received from the Department of Business, Economic Development, and Tourism. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that allowing the installation of solar energy and wind energy devices on the common areas of condominiums may provide a significant source of clean, renewable electrical energy consistent with goals of the Hawaii Clean Energy Initiative. Your Committee further finds that these installations are likely to benefit condominium associations and owners economically through reduced energy costs and, in some cases, collection of fees for the use of common areas such as rooftops paid by commercial solar and wind energy interests.

Your Committee has amended this measure by:

- (1) Adding a new provision to make this measure applicable to condominiums governed by chapter 514A, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 606, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 510 Commerce and Consumer Protection on S.B. No. 133**

The purpose of this measure is to require the public utilities commission to institute a lifeline electricity rate for qualified residential energy customers.

Your Committee received testimony in support of this measure from Hawaiian Electric Company. Testimony providing comments was received from the Public Utilities Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the high cost of electricity can create financial difficulties for certain residential energy customers. Your Committee further finds that some medical conditions require treatment, management, or monitoring with electrical devices. This measure will help ensure that the cost of electricity is not a barrier to needed medical treatment for elderly and disabled residents. Your Committee notes that Hawaiian Electric Company and the Division of Consumer Advocacy are currently working together to study schedules and other issues surrounding implementation of lifeline electricity rates.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "lifeline eligible" to be consistent with the eligibility criteria for lifeline telephone service; and
- (2) Deferring the effective date of this measure to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 133, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 133, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 511 Judiciary and Government Operations on S.B. No. 15**

The purpose of this measure is to update references to federal agencies that have warrantless search powers.

Your Committee notes that there are three federal agencies that could potentially be invested with possible warrantless search powers; United States Customs and Border Protection; United States Citizenship and Immigration Services; and United States Immigration and Customs Enforcement.

According to official websites, the United States Immigration and Customs Enforcement has jurisdiction over a range of federal criminal offenses. The United States Citizenship and Immigration Services oversees lawful immigration to the United States while ensuring no one is admitted who is a threat to public safety. The United States Customs and Border Protection deals with terrorists, enforces immigration and drug laws, and protects trade and travel.

Your Committee has amended this measure by:

- (1) Allowing only officers of the United States Customs and Border Protection Service agency to make arrests without a warrant and removing references to the Citizenship and Immigration Services agency;
- (2) Correcting the reference to the United States Customs and Border Protection agency; and
- (3) Changing the effective date to July 1, 2050 to continue discussions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 15, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 15, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 512 Commerce and Consumer Protection on S.B. No. 603**

The purpose of this measure is to allow the Public Utilities Commission to consider wireless, voice over internet protocol (VOIP), and other telecommunications technology providers when determining competition in the switched access telecommunications market.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii. Testimony in opposition to this measure was received from TW Telecom. Testimony with comments on this measure was received from the Public Utilities Commission, AT&T, Hawaiian Telcom, and Oceanic Time Warner Cable. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that advances in technology make wireless and VOIP telephone services a reasonable substitute for traditional land line, or switched access, service for many consumers. Your Committee finds that this measure will help to create a level playing field for telecommunications service providers, including wireless and VOIP providers who are not currently regulated by the Public Utilities Commission. However, many consumers, especially low income consumers and those in remote areas, remain dependent on switched access. Your Committee further finds that important services, such as lifeline telephone rates, carrier of last resort services, and service quality standards remain essential to the operation of switched access providers.

Your Committee has amended this measure by:

- (1) Deleting the requirement that the Public Utilities Commission consider the existence of competition in the telecommunications market with a requirement that the Public Utilities Commission classify the State's local exchange intrastate telecommunications services market as fully competitive with respect to costs, rates, and pricing;
- (2) Requiring telecommunications carriers to file rates, fares, charges, and bundled service offerings with the Public Utilities Commission for information purposes only;
- (3) Clarifying that this measure applies only to retail rates and not to wholesale rates;
- (4) Establishing a maximum retail rate ceiling based on current retail rates;
- (5) Clarifying that switched access providers remain responsible for providing lifeline and carrier of last resort telephone services and for maintaining service quality standards; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 603, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 603, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 513 Education and Housing on S.B. No. 455**

The purpose of this measure is to prohibit smoking in and around public housing projects under the jurisdiction of the Hawaii Public Housing Authority.

Testimony in support of this measure was submitted by one state agency, one private organization, and twenty-four individuals. Testimony in opposition was submitted by six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the health costs of smoking and secondhand smoke are well known and some commercial and residential buildings are responding by either banning smoking entirely or designating "no smoking" areas.

Your Committee supports the public health benefits of this measure. However, your Committee understands the concerns of the Hawaii Public Housing Authority regarding the number of violations and allegations of violations that may result from a complete prohibition on smoking in public housing projects. With 6,195 units statewide, the Authority is concerned that this measure would require the Authority to modify its current focus on increasing rent collections, reducing vacancy rates, and providing repair and maintenance.

Your Committee has reviewed a number of alternatives for the current measure, including the requirement that the Authority offer smoking cessation services. However, your Committee understands that many of these programs have been affected by budget cuts, and expanding services to all public housing projects may not be achievable.

Your Committee urges the Hawaii Public Housing Authority to work with the tenants in determining the most effective way to accommodate nonsmokers and smokers, and to make recommendations for further amendments to this measure as it moves through the legislative process.

Your Committee has amended this measure by:

- (1) Deleting the complete prohibition against smoking;
- (2) Requiring the Hawaii Public Housing Authority to designate no more than fifty per cent of the units in public housing projects as smoking units;
- (3) Requiring all smoking units on the same floor to be contiguous and prohibiting smoke from these rooms from infiltrating into areas where smoking is prohibited;
- (4) Prohibiting the status of units as smoking or nonsmoking from being changed, except to add additional nonsmoking units;
- (5) Establishing a fine of not more than of \$50 for a first violation and a fine of not more than \$100 for a second violation; and
- (6) Making technical amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 455, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 455, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Kidani). Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 514      Judiciary and Government Operations on S.B. No. 1086**

The purpose of this measure is to allow a family court judge to issue an ex parte temporary restraining order without notice to:

- (1) Grant exclusive care of a pet animal to a party; and
- (2) Restrain the noncustodial party of a pet animal from visiting, taking, concealing, threatening, physically abusing, or disposing of the pet animal.

Your Committee received testimony in support of this measure from the Honolulu Prosecuting Attorney; Humane Society of the United States; Hawaiian Humane Society; Kauai Humane Society; American Humane Association; Animal Rights Hawai'i; Women Helping Women-West Maui; Maui Family Support Services; Rainbow Friends Animal Sanctuary; American Bouvier Rescue League; West Hawaii Humane Society; Hawaii Cat Foundation; Hawaii Dog Foundation; Maui Humane Society; and seventeen individuals. Copies of written testimony are available for review on the Legislature's website.

Your Committee finds that pet animals have become an object of contention between parties in family court proceedings for annulment, divorce, or separation. The intent of this measure is to allow a restraining order to grant custody of the pet animal to one party and to restrain the other party from taking, hurting, or disposing of the animal.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 to continue the discussion on this matter;
- (2) Moving the definition of "pet animal" to the definitions section of chapter 586, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1086, S.D. I, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 515      Judiciary and Government Operations on S.B. No. 93**

The purpose of this measure is to:

- (1) Clarify that if the candidate or candidate's committee returns or refunds a contribution or contributions that exceed twenty per cent of the total contributions received during a reporting period within seven days of the last day of the reporting period, the candidate and candidate committee is not in violation of the limit on contributions from nonresidents law;
- (2) Clarify the definition of "electioneering communication" to also mean advertising that is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate;
- (3) Require that a noncandidate committee file a preliminary report on July 31 prior to each primary election; and
- (4) Repeal the provision allowing the filing of a short form report for expenditures totaling \$2,000 or less.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and League of Women Voters of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the twenty per cent limit on contributions from nonresident persons, first enacted by Act 2003, Session Laws of Hawaii 2005, may need to be revisited with regards to the percentage amount and the limitation of receiving such contributions in each reporting period. It has been brought to your Committee's attention that the prohibition on receiving such contributions within a reporting period may subvert the intended result of applying the rule to the total of such contributions within any election cycle.

Your Committee has amended this measure by:

- (1) Deleting the amendment to the definition of "electioneering communication", on the recommendation of the Campaign Spending Commission;
- (2) Deleting the requirement of an additional preliminary report on July 31 of each primary election;
- (3) Changing the twenty per cent threshold to an unspecified amount; and
- (4) Changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 93, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 93, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 516      Judiciary and Government Operations on S.B. No. 65**

The purpose of this measure is to amend the Hawaii Rules of Evidence to provide, with regard to character evidence, that evidence of an accused person's trait of character for aggressiveness is admissible when offered by the prosecution against the accused, if the alleged victim's trait of character for aggressiveness is offered by the accused and admitted into evidence.

Your Committee received testimony in support of this measure from Judiciary-Hawaii Supreme Court Standing Committee on the Rules of Evidence; Department of the Prosecuting Attorney-Honolulu; Office of the Prosecuting Attorney-Hawaii; and the Department of the Prosecuting Attorney-Maui. Testimony in opposition was received from the Office of the Public Defender. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure conforms a specific provision in the Hawaii Rules of Evidence to its counterpart in the Federal Rules of Evidence. However, your Committee is not entirely convinced that the rule will not result in inherent procedural unfairness to the defendant in a jury trial. Your Committee believes that more study and analysis is necessary.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to ensure continued discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 65, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 65, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 517 Commerce and Consumer Protection on S.B. No. 53**

The purpose of this measure is to amend the Life Settlements Act by repealing the requirement that the Insurance Commissioner report annually to the Legislature and making the Act permanent.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the American Council of Life Insurers and the National Association of Insurance and Financial Advisors. Testimony with comments on this measure was received from Coventry. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii is one of seven states that have enacted the National Conference of Insurance Legislators' Life Settlements Model Act and is one of thirteen states that regulate Stranger Oriented Life Insurance, a predatory practice by investors who purchase insurance policies on the lives of elderly persons for profit. Your Committee finds that the need to regulate Stranger Oriented Life Insurance transactions persists beyond the Life Settlements Act's original sunset date.

Your Committee further finds that the Insurance Commissioner's reporting requirement was originally enacted to assist with the initial implementation of the Life Settlements Act. Now that the Act has been successfully implemented, there is no longer a need for the Insurance Commissioner to make annual reports to the Legislature. Your Committee notes that future amendments to the Life Settlements Act may be made through the normal legislative process.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 53 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 518 Commerce and Consumer Protection on S.B. No. 880**

The purpose of this measure is to repeal the Public Utilities Commission's responsibility for gas pipeline safety since that responsibility has been transferred to the federal Office of Pipeline Safety under superseding federal law.

Your Committee received testimony in support of this measure from the Public Utilities Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current law requiring the Public Utilities Commission to establish and enforce safety standards for gas pipelines in the State has been preempted by a 1993 federal order transferring that responsibility to the Department of Transportation, Office of Pipeline Safety. Your Committee finds that the federal Natural Gas Pipeline Safety Act of 1968 supersedes state law on this matter and thus renders chapter 269, part IV, Hawaii Revised Statutes, obsolete.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 880 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 519 (Joint) Higher Education and Education and Housing on S.B. No. 501**

The purpose of this measure is to clarify membership requirements of the Teacher Education Coordinating Committee.

Specifically, this measure provides that the Coordinating Committee include a representative from each accredited Hawaii state-approved teacher education unit and clarifies that the Superintendent of Education and the Dean of the College of Education may each appoint additional members to the Coordinating Committee, as needed.

Testimony in support of this measure was submitted by the Department of Education. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will allow the Teacher Education Coordinating Committee to broaden its membership, and will not require the replacement of any current members.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 501 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Kidani, Kokubun, Takamine, Tsutsui, Slom).

**SCRep. 520      Judiciary and Government Operations on S.B. No. 108**

The purpose of this measure is to clarify the Uniform Probate Code provisions on guardianship by increasing the time in which a court may appoint a temporary guardian from six to twelve months.

Your Committee received testimony in support of this measure from the Judiciary and Legal Aid Society of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure addresses the problem wherein temporary caretakers who are in the military and who initiate guardianship actions are currently unable to obtain any medical benefits for the children in their care because federal law requires that the guardian have a custody order for at least twelve consecutive months.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 108 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 521      Commerce and Consumer Protection on S.B. No. 205**

The purpose of this measure is to clarify the exemption from licensure by the contractors licensing board for owner-builders by increasing the period prohibiting sale, limiting the number of exemptions granted to an owner-builder, and clarifying violation provisions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Subcontractors Association of Hawaii. Testimony in opposition to this measure was received from Hawaii Association of Realtors. Testimony with comments on this measure was received from the Contractors Licensing Board. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will enhance enforcement of laws prohibiting unlicensed construction and contracting activity. Your Committee finds that property owners should be allowed to perform work on their own property. However, your Committee believes that this measure is necessary to deter owner-builders or subcontractors from avoiding safety, payroll, and tax responsibilities by abusing the owner-builder permit process.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 205, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 522      Commerce and Consumer Protection on S.B. No. 461**

The purpose of this measure is to de-link from the price of fossil fuels the rate paid by a public utility for nonfossil fuel generated electricity.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development and Tourism, Hawaii Energy Policy Forum, Hawaiian Electric Company, Sierra Club, Blue Planet Foundation, and Alexander & Baldwin. Testimony with comments on this measure was received from the Public Utilities Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that de-linking the rate paid by a public utility for nonfossil fuel generated electricity from the price of fossil fuels provides the Public Utilities Commission with greater flexibility in determining fair and reasonable consumer electricity rates and will promote the development of renewable energy resources. Your Committee further finds that increased use of renewable, nonfossil fuel electricity sources will strengthen Hawaii's economy and protect its environment.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 461, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 523      Judiciary and Government Operations on S.B. No. 112**

The purpose of this measure is to make Children's Justice Program records confidential, subject to exceptions for coordinating agency staff, health professionals, and the courts.

The Children's Justice Program promotes the sharing of information among different agencies that provide services to children and their families. Much of this information is personal in nature and should not be subject to public release under chapter 92F, Hawaii Revised Statutes. This measure requires all records used or developed by the Children's Justice Program to remain confidential, subject to exceptions for program and coordinating agency staff, medical and mental health professionals, and the courts.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 112 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 524      Judiciary and Government Operations on S.B. No. 121**

The purpose of this measure is to enact the Uniform Prudent Management of Institutional Funds Act to provide statutory guidelines for the management, investment, and expenditures of endowment funds held by charitable institutions.

This measure also repeals the existing chapter 517D, Hawaii Revised Statutes. This measure is a product of the Uniform Law Commissioners. The new Act expressly provides for diversification of assets, pooling of assets, and total return investment, to implement portfolio management and to bring the law in line with modern investment and expenditure practice.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 121, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 525      Judiciary and Government Operations on S.B. No. 230**

The purpose of this measure is to enhance the safety of victims and their family members, and witnesses by:

- (1) Requiring the Director of Health to notify victims, witnesses, and surviving immediate family members, who have submitted a written request, of specified information about a criminal defendant's fitness to proceed at trial, transfer to a state hospital or psychiatric facility, or unauthorized absence from a facility; and
- (2) Specifying the following among the major developments that a victim or surviving family member shall be informed:
  - (A) That the offender is found unfit to proceed or has been acquitted on the grounds of physical or mental disease, disorder, or defect; and
  - (B) That an offender previously found to be unfit or acquitted has been released or discharged from custody, has been committed to the custody of the Director of Health, or has regained fitness to proceed and accordingly, the date on which penal proceedings will resume.

Your Committee finds that victims of crime have a legitimate interest in being notified of any proceeding regarding whether the offender may be released from custody. Your Committee further finds that the Department of Health has stated that expanding reporting requirements as required under this measure will implement significant policy changes in the area of forensic mental health and that a study should be conducted by legal and mental health stakeholders before policy changes are implemented.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 230, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 526      Judiciary and Government Operations on S.B. No. 438**

The purpose of this measure is to authorize the Board of Education to file any notice that specifies legislation or legislation-related agenda items no fewer than two calendar days before a meeting during the period from the convening of the Legislature in regular session to adjournment sine die of each regular session, and during any special session of the Legislature.

Your Committee finds that the deadline-driven demands of the legislative session often require that the Board of Education take positions or other action on legislation and legislation-related matters in an expedited manner. This measure will provide flexibility in the public notice requirements of chapter 92, Hawaii Revised Statutes, to enable Board of Education members to participate effectively in the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 438 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 527      Judiciary and Government Operations on S.B. No. 535**

The purpose of this measure is to prohibit possession of open liquor containers in public housing common areas and on streets and sidewalks.

Act 34, Session Laws of Hawaii 2008, established the current provisions that no liquor shall be consumed in common areas of public housing projects. However, the police are unable to arrest individuals holding an open liquor container unless the police

observe the person putting the container to their mouth, or unless a witness is willing to testify to that effect. This measure will clarify the prohibition and assist in deterring drinking in common areas of public housing projects, as well as on public highways and sidewalks.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 528      Judiciary and Government Operations on S.B. No. 786**

The purpose of this measure is to:

- (1) Make the entering or remaining unlawfully on property listed in the Hawaii Register of Historic Places after warning or request to leave, an offense of criminal trespass in the first degree, a misdemeanor; and
- (2) Make the intentional or knowing damage to property on the Hawaii Register of Historic Places an offense of criminal property damage in the first degree, a class B felony.

The Hawaii Register of Historic Places is the official listing of cultural resources that are recognized as significant to Hawaii's history, architecture, engineering, and culture. The list of buildings, sites, objects, districts, and structures give a sense of place and identity to those who live in the islands, as well as impart to visitors a tangible reminder of the State's complex and rich history that contributes to the collective heritage of its residents.

Your Committee finds that, given the importance of the sites recognized on the Hawaii Register of Historic Places, it is appropriate that those places be treated with special care, dignity, and respect, and that sufficient penalties are established to protect these sites.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 786, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 529      Judiciary and Government Operations on S.B. No. 799**

The purpose of this measure is to propose a constitutional amendment to clarify the selection of the student member of the Board of Education.

Your Committee finds that the student member of the Board of Education brings valuable perspective and insights regarding the day-to-day educational needs, experiences, and concerns of students in Board discussions. In addition, the Board has indicated that this input and perspective is critical in the development and implementation of sound educational policies.

Current law requires the student member to be selected by the Hawaii State Student Council. This measure would change the selection of the student member since that member will be a voting member.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 530      Judiciary and Government Operations on S.B. No. 843**

The purpose of this measure is to allow a court, before imposing sentence, to order a defendant who has been convicted of a felony or misdemeanor to submit to mental or other medical observation and examination for a period the court determines to be necessary for the purpose, but not to exceed the length of permissible imprisonment.

This measure allows the court to appoint one or more qualified psychiatrists, physicians, or licensed psychologists to conduct the examination from a list of certified examiners as determined by the state department of health. The report of the examination is to be submitted to the court.

According to the State Attorney General, this measure corrects an inadvertent repeal of the statutory revisions enacted by Act 112, Session Laws of Hawaii 2005, which added a DNA analysis provision but repealed the existing statute on presentence mental and medical examination.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 531      Judiciary and Government Operations on S.B. No. 851**

The purpose of this measure is to bring Hawaii's child support laws into conformance with federal law.

Specifically, this measure:

- (1) Clarifies the requirement that all income withholding payments for child support pursuant to a court order be sent to the Child Support Enforcement Agency or to another state's child support agency acting under title IV-D of the Social Security Act;
- (2) Allows the Child Support Enforcement Agency to disburse funds to custodial parents by electronic deposit or debit card;
- (3) Allows as valid proof of service by certified mail the receipt of an electronic copy or facsimile of a signature on certified mail receipts in lieu of an actual signature;
- (4) Clarifies that the child support enforcement agencies in other states acting under title IV-D of the Social Security Act may directly enforce a child support lien, acknowledging the federal law's provision of full faith and credit to child support liens arising in other states;
- (5) Clarifies that payments from a financial institution may be made directly to the entity seeking to enforce a child support lien without the involvement of the Child Support Enforcement Agency, if that financial institution complies with the State's procedural rules; and
- (6) Requires that only the last four digits of the obligor's social security number be indicated on the notice of child support lien.

Your Committee finds that this measure conforms Hawaii law to with Title VI-D of the Social Security Act.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 851, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 532      Judiciary and Government Operations on S.B. No. 930**

The purpose of this measure is to provide voluntary medical assistance personnel immunity from liability due to the death of or injury to persons, or for damage to property, as a result of any act or omission in the course of rendering volunteer medical assistance services.

The immunity does not apply if the death, injury, or damage arises as a result of wilful, criminal, or reckless misconduct, or gross negligence.

Your Committee finds that it is in the public's interest to provide immunity from liability for licensed medical professionals who provide volunteer services in non-emergency situations on behalf of the State or counties, such as school-based immunization clinics.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 930 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 533      Judiciary and Government Operations on S.B. No. 937**

The purpose of this measure is to clarify statutory provisions that govern the process and standards of decision making on applications for conditional release and discharge of forensic patients at the Hawaii State Hospital.

This measure repeals subsections 704-411(5), (6), and (7), Hawaii Revised Statutes (HRS). These provisions have been interpreted as having established an additional hearing and application procedure for persons committed to the Hawaii State Hospital due to an acquittal based on the ground of physical or mental disease, disorder, or defect excluding responsibility. The repeal of these provisions clarifies that section 704-412, HRS, governs the timing and standards for conditional release or discharge from the custody of the director of health.

In addition, the measure includes a sixty days requirement for judicial decisions on motions for conditional release or discharge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 937 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 534      Judiciary and Government Operations on S.B. No. 1142**

The purpose of this measure is to clarify that a physician assistant who holds a current, valid, and permanent license to practice medicine, and who is under the supervision of a licensed physician or osteopathic physician, may sign certain specified documents, and administer specified medical care under certain conditions.

This measure also allows State licensed physician assistants to provide medical care in a public emergency or state or local disaster, without physician supervision.

Your Committee finds that this measure will improve patient access to health care services, expedite the processing of paperwork, and provide optimal care at the initial point of access for Hawaii patients, especially in rural and underserved areas.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 535 (Majority) Judiciary and Government Operations on S.B. No. 1622**

The purpose of this measure is to provide employment security to persons who might otherwise be displaced from employment due to the divestiture and transfer of a business to another employer.

Specifically, this measure, among other things:

- (1) Requires an existing employer to make available to the prospective employer certain employee information;
- (2) Requires the prospective employer to retain, for a 90-day transition period, all employees who were employed by the existing employer at the time of the divestiture; and
- (3) Requires the new employer, to thereafter offer an employee retained from the existing employer continued employment under the terms and conditions established by the new employer.

This measure recognizes the all too frequent sales of businesses in Hawaii that adversely impact the stability of our workforce and create an additional toll on our economy and unemployment system. These mass terminations due to a business divestiture create problems not only to the employees directly affected, but to the community at large because of increased unemployment and decreased state tax revenues. Where the purchaser of the business intends to provide a similar level of products and services, the new employer is required for the first 90-days of the business to retain from the existing workforce the number of employees needed for the new operation, based on seniority. The employer is able to terminate employees for cause and release employees after the 90-day period if a performance review shows unsatisfactory work. The transition period will provide the new employer with qualified and knowledgeable workers who have rapport and provide continuity with the prior customer base that the new business will seek to maintain.

The measure also requires the new employer to maintain a preferential hiring list of eligible employees not retained by the new employer. If the business expands in that period the new employer is to hire from the preferential hiring list based on operational needs.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1622, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 536 Labor on S.B. No. 896**

The purpose of this measure is to clarify that the civil service exemption for the Hawaii National Guard youth education program positions also applies to the National Guard adult education program positions.

Your Committee finds that this measure makes it clear that the civil service law will not be a limitation in addition to the federal government's Master Cooperative Agreement in the Department of Defense's ability to recruit and retain highly qualified instructors and managers for National Guard youth and adult education programs. Your Committee further finds that exempting these positions from civil service requirements would provide greater continuity to National Guard-sponsored youth and adult education programs, ultimately benefiting the participants of these programs.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 537 Labor on S.B. No. 208**

The purpose of this measure is to repeal on January 1, 2011, the exemption from civil service for the positions of sheriff, first deputy sheriff, and second deputy sheriff within the Sheriff Division of the Department of Public Safety.

Your Committee finds that the current positions of sheriff, first deputy sheriff, and second deputy sheriff in the Sheriff Division should be subject to the civil service law and its merit principles.

Your Committee believes that repealing the civil service exemption for these positions would benefit the Sheriff Division in the following ways:

- (1) Provide greater stability in leadership;
- (2) Maintain and ensure continuity of institutional knowledge;
- (3) Improve employee morale and create opportunities for career advancement within the Sheriff Division; and
- (4) Improve administrative efficiency and effectiveness.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 208 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).



**SCRep. 538 Labor on S.B. No. 614**

The purpose of this measure is:

- (1) To authorize as a use of family leave, the time taken off from work by an employee to address family care, legal, and financial issues directly related to or resulting from the impending military deployment or active military deployment of the employee's child, spouse, reciprocal beneficiary, or parent; and
- (2) To require that the employee provide the employee's employer with documentation verifying the military deployment.

This measure defines "military deployment" as the deployment of, by order of a branch of the United States military, an employee serving in the military to a region where hostile and hazardous combat or peacekeeping activities are being conducted.

Your Committee finds that many members of the United States military and their families face unique stresses and challenges that require strong family support. Your Committee further finds that this measure provides an appropriate amount of family leave to employees to address those issues if those employees provide sufficient certification or documentation proving military deployment.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 539 Labor on S.B. No. 1120**

The purpose of this measure is to clarify the civil service status of employees of Waiialae and Lanikai Elementary Schools upon the schools' conversion to charter schools.

Your Committee finds that this measure is necessary to specify in existing statutes that civil service employees at Waiialae and Lanikai Elementary Schools shall retain their civil service status upon the schools' conversion to charter schools.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1120 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 540 (Majority) Labor on S.B. No. 782**

The purpose of this measure is to:

- (1) Provide unemployment insurance to individuals who are voluntarily or involuntarily separated from their employment as a result of domestic or sexual violence against those individuals or those individuals' minor children; and
- (2) Deem as good cause to refuse work, certain situations that create an unreasonable risk of violence.

Your Committee finds that it is important to extend unemployment insurance benefits to individuals who are separated from employment as a result of domestic or sexual violence against those individuals or those individuals' minor children, as financial independence will help these individuals to escape or mitigate the physical and emotional injuries of abuse.

Your Committee further finds that this measure will conform state laws to federal laws, enabling the State to receive funding under the Federal Unemployment Tax Act.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 782, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Taniguchi).

**SCRep. 541 Transportation, International and Intergovernmental Affairs on S.B. No. 936**

The purpose of this measure is to repeal the requirement for a sanitation certificate to be issued for county business licenses for the operation of a lodging or tenement house, group home, group residence, group living arrangement, hotel, or boarding house.

Your Committee received testimony in support of this measure from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the City and County of Honolulu no longer requires business licenses for these facilities because of Act 35, Session Laws of Hawaii 2001, so the sanitation certificate is unnecessary for Oahu. Your Committee further finds that the counties of Kauai, Maui, and Hawaii never required a sanitation certificate for these types of businesses.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 936 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 542 Judiciary and Government Operations on S.B. No. 567**

The purpose of this measure is to:

- (1) Makes clear that any person eighteen years of age or older to donate blood in any voluntary and noncompensatory blood program without the necessity of obtaining parental permission or authorization; and
- (2) Allow any person who is sixteen years of age or older but who has not attained the age of eighteen to donate blood in a voluntary and noncompensatory blood program if the person obtains written permission from the person's parent or guardian.

Your Committee finds that twenty-three states have passed legislation or adopted variances recognizing sixteen year olds as eligible voluntary blood donors with parental consent. Your Committee further finds that allowing sixteen year olds to donate blood will increase the donor pool and increase the availability of blood supply to help others in need.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 567 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 543 (Majority) Judiciary and Government Operations on S.B. No. 477**

The purpose of this measure is to clarify that the Speaker of the House of Representatives or the President of the Senate, separately on behalf of their respective houses as well as jointly, may request the State Attorney General to employ a private attorney paid for by the State to represent a legislative office where the Attorney General has declined to provide representation based on a conflict of interest.

Your Committee finds that the statute needs clarification to ensure that both houses of the Legislature individually and jointly are provided with appropriate legal representation as the Legislature or either house thereof deems necessary.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 477 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 544 Judiciary and Government Operations on S.B. No. 107**

The purpose of this measure is to clarify the law on administrative revocation of driver licenses by allowing the Administrative Director of the Courts to authorize a hearing to review a revocation decision, provided that the hearing be held:

- (1) With the consent of the respondent, in a county other than the county in which the notice of administrative revocation was held; or
- (2) By telephonic, video, or other electronic means.

Your Committee received testimony in support of this measure from the Judiciary. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Administrative Driver's License Revocation Office operations currently require almost daily travel between islands in order to allow statewide administrative hearings to be conducted in the county of arrest. The cost is up to \$1,000 of travel per week, constituting the bulk of Administrative Driver's License Revocation Office operational expenditures.

Your Committee finds that this measure would enable the Administrative Driver's License Revocation Office to conduct hearings in a more cost efficient manner.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 107 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 545 Ways and Means on S.B. No. 497**

The purpose of this measure is to establish an advisory committee to oversee the Hawaii Teacher Standards Board.

More specifically, this measure:

- (1) Establishes an advisory committee to provide oversight for the Hawaii Teacher Standards Board that shall:
  - (A) Review and evaluate the progress of the Hawaii Teacher Standards Board;
  - (B) Provide the Governor with lists of nominees for appointment to the Hawaii Teacher Standards Board;
  - (C) Present to the Board of Education a list of candidates for the Executive Director of the Hawaii Teacher Standards Board; and
  - (D) Submit an annual report to the Board of Education and the Legislature;
- (2) Authorize the Hawaii Teacher Standards Board to:
  - (A) Determine the manner by which fees are collected;

- (B) Adopt, amend, repeal, or suspend the policies and standards of the Board; and
  - (C) Coordinate the creation of a data interface network; and
- (3) Appropriate funds for the establishment of a data interface network.

Your Committee finds that this measure will contribute to the efficiency and effectiveness of the Hawaii Teacher Standards Board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 497, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 546 Energy and Environment on Gov. Msg. No. 295**

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 295 PETER H. COOPER, for a term to expire 6-30-2010.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Peter H. Cooper to have the necessary qualifications to be appointed to the Environmental Council.

Testimony in support of Mr. Cooper's nomination was submitted by four private organizations and five individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Cooper holds a Bachelor of Business Arts degree, with dual majors in Real Estate and Finance, from the University of Hawaii School of Business. He is the Chief Operating Officer of Sun Power Hawaii LLC, which designs, installs, and finances photovoltaic systems within the State of Hawaii. He is also the President of Cooper & Cooper, LLC, which develops personal portfolio properties, as well as partners with investors throughout the State. In this capacity, Mr. Cooper provides development management and project management through all phases of real estate projects. Through his sixteen years of experience with the development-construction industry, Mr. Cooper has gained experience in all aspects of project management and development, including due diligence, plan review, contract negotiation, permit processing, master scheduling, and project management. His insight into the real estate development process will provide the Council with a unique perspective in how the environmental disclosure process can be improved and objectively applied in a balanced and comprehensive manner.

Mr. Cooper is also a strong advocate for sustainability. He is a member of the Sustainability Committee and is a past president of the Hawaii Developers' Council. He and other members of the Hawaii Developers' Council helped to establish the HDC Green Awards, which recognize the achievements in energy efficient design for commercial and residential real estate development projects in Hawaii. Mr. Cooper is also on the Board of Directors of the National Association of Industrial and Office Properties – Hawaii Chapter. He is also working with the Malama Learning Center, an organization committed to bringing students, teachers, residents, and businesses together where they can learn about sustainable environments via art, science, conservation, and culture.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Kokubun).

**SCRep. 547 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 44**

The purpose of this measure is:

- (1) To express support of the Legislature for the United States Geological Survey Report, "The Coral Reef of South Moloka'i, Hawaii: Portrait of a Sediment Threatened Fringing Reef";
- (2) To encourage federal and state agencies to recognize and support the conclusions of the report; and
- (3) To express support of the Legislature for the community-based efforts to steward the South Moloka'i Reef fishery and for the use of the scientific findings presented in the report and traditional Hawaiian conservation practices, to preserve the health of the South Moloka'i Reef.

Testimony in support of this measure was submitted by one state agency, one organization, and two individuals. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the South Moloka'i Reef is the longest, most continuous, and densest coral reef in the main Hawaiian Islands, and that it is a unique area that should be studied and protected. Your Committee also finds that the United States Geological Report entitled "The Coral Reef of South Moloka'i, Hawaii: Portrait of a Sediment Threatened Fringing Reef" is a product of successful collaboration among federal and state agencies that presents new, technical data on the South Moloka'i Reef and recognizes the native Hawaiian concept of ahupua'a management.

Your Committee agrees with the conclusion of the report that the condition of the South Moloka'i Reef can improve with enough will and local support, and appreciates the efforts of federal and state agencies and communities to study and steward the South Moloka'i Reef and fishery.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 44 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Takamine, Tokuda).

**SCRep. 548 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 26**

The purpose of this measure is:

- (1) To express support of the Senate for the United States Geological Survey Report, "The Coral Reef of South Moloka'i, Hawaii: Portrait of a Sediment Threatened Fringing Reef";
- (2) To encourage federal and state agencies to recognize and support the conclusions of the report; and
- (3) To express support of the Senate for the community-based efforts to steward the South Moloka'i Reef fishery and for the use of the scientific findings presented in the report and traditional Hawaiian conservation practices, to preserve the health of the South Moloka'i Reef.

Testimony in support of this measure was submitted by one state agency, one organization, and two individuals. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the South Moloka'i Reef is the longest, most continuous, and densest coral reef in the main Hawaiian Islands, and that it is a unique area that should be studied and protected. Your Committee also finds that the United States Geological Report entitled "The Coral Reef of South Moloka'i, Hawaii: Portrait of a Sediment Threatened Fringing Reef" is a product of successful collaboration among federal and state agencies that presents new, technical data on the South Moloka'i Reef and recognizes the native Hawaiian concept of ahupua'a management.

Your Committee agrees with the conclusion of the report that the condition of the South Moloka'i Reef can improve with enough will and local support, and appreciates the efforts of federal and state agencies and communities to study and steward the South Moloka'i Reef and fishery.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Takamine, Tokuda).

**SCRep. 549 Commerce and Consumer Protection on S.B. No. 886**

The purpose of this measure is to make housekeeping amendments to clarify and streamline business registration laws.

Specifically:

- (1) Regarding corporate existence, this measure provides consistency with model law and other statutory provisions by deleting the word "may" in the corporation, nonprofit corporation, and professional corporation provisions that deal with the continuation of corporate existence after dissolution;
- (2) Regarding references to involuntary dissolutions and cancellations, this measure changes references to "involuntary" dissolution or cancellation to "administrative" dissolution or cancellation in the corporation, nonprofit corporation, and general partnership statutes;
- (3) Regarding procedures for converting to Hawaii (domestic) entity vs. foreign (non-Hawaii) entity, this measure clarifies the technical administrative filing procedures;
- (4) Regarding reinstatement of general partnerships, this measure clarifies procedures for reinstatement; and
- (5) Regarding electronic transmission of notice to members of nonprofit corporations, this measure conforms nonprofit corporation law with profit corporation law.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide both businesses and consumers with increased clarity and consistency in the State's business registration laws.

Your Committee has amended this measure by making technical amendments to conform to the preferred drafting style and for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 886, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 886, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Sakamoto).

**SCRep. 550 Economic Development and Technology on S.B. No. 382**

The purpose of this measure is to revise the appointment process of members who serve on the Stadium Authority and to increase its membership from nine members to eleven members.

Specifically, the measure:

- (1) Increases the membership of the Stadium Authority from nine to eleven members;
- (2) Clarifies that the University of Hawaii President and the Superintendent of Education are nonvoting members; and
- (3) Splits the authority to appoint the remaining nine members equally among the Governor, the Senate President, and the Speaker of the House of Representatives.

Testimony in support of this measure was submitted by Aloha Stadium Vendors' Corp. and one individual. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services and Aloha Stadium Authority. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that revising the Stadium Authority's appointment process and increasing its membership to eleven will help the Stadium Authority further achieve its objectives of promoting business events and securing contracts for various engagements at Aloha Stadium. It is your Committee's understanding that the changes to the Stadium Authority will not be incorporated in a manner that will inhibit the Stadium Authority's working relationship with its tenants or vendors.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to promote further discussion on the issues in this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 382, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 551 Economic Development and Technology on S.B. No. 536**

The purpose of this measure is to require the Department of Business, Economic Development, and Tourism to develop, with the assistance of a temporary advisory committee, a statewide starlight reserve strategy to preserve the quality of the night sky for astronomical observation.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, University of Hawaii at Manoa Institute for Astronomy, Hawaiian Astronomical Society, Haleakala Amateur Astronomers, Maui Astronomy Club, Windward Ahupua'a Alliance, and four concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the quality of the night sky in Hawaii is unique and is a valuable natural resource that needs to be protected. Your Committee also finds that specific practices and safeguards are necessary to preserve the quality of the night sky in Hawaii for continued astronomical observation that is superior to the rest of the United States. Your Committee further finds that the development and implementation of a starlight reserve strategy will help to prevent the night sky in Hawaii from light pollution.

Your Committee has amended this measure by:

- (1) Deleting section 5(b) of this measure relating to the establishment of a statewide intelligent lighting law;
- (2) Adding a representative of the Hawaiian Astronomical Society as a member of the temporary advisory committee;
- (3) Adding a lighting engineer as a member of the temporary advisory committee; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 536, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 536, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, none.

**SCRep. 552 (Joint) Economic Development and Technology and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1143**

The purpose of this measure is to require the State Historic Preservation Officer to possess professional qualifications in specific fields of study and to have professional experience with historic preservation in Hawaii.

Testimony in support of this measure was submitted by the Office of Hawaiian Affairs, the Hawaii Government Employees Association, the Historic Hawaii Foundation, and the Society of Hawaiian Archaeology. Testimony in opposition of this measure was submitted by the Department of Land and Natural Resources. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that establishing uniform standards and practices in appointing the State Historic Preservation Officer that are consistent with the guidelines established by the United States Secretary of the Interior ensures that individuals appointed to the position carry out the objectives of the position in a successful manner. Your Committees also find that requiring the State Historic

Preservation Officer to meet the standards and qualifications set forth by the United States Secretary of the Interior will facilitate the officer in overcoming and addressing the many challenges and obstacles faced on a daily basis.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion on this measure; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1143, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1143, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (Bunda, Ige).

**SCRep. 553 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1199**

The purpose of this measure is to create and amend fishing provisions that affect the community on the island of Molokai.

Specifically, this measure establishes a community-based subsistence fishing area around the island of Molokai to protect the fish stocks and coral reef habitats.

Testimony in support of this measure was submitted by one organization and fifteen public citizens. One organization supported the intent of the measure. Testimony in opposition was submitted by one state agency and two public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the people of Molokai maintained a sustainable and self-sufficient food supply for over a thousand years, and modernization and abandonment of traditional resource management have led to the severe decline of Molokai's fishery. Today, thirty-five per cent of Molokai residents rely on some form of subsistence for their food supply. Your Committee finds that this measure will protect fish stocks and coral reef habitats around the island of Molokai to ensure that Molokai residents may continue subsistence practices, and that traditional resource management practices may be utilized to restore the Molokai fisheries.

Your Committee has amended this measure by:

- (1) Establishing the boundaries of the subsistence fishing area as one mile offshore parallel to the contours of the shoreline of the island of Molokai;
- (2) Removing the subsection requiring the Department of Land and Natural Resources to consult with Molokai community members for rule development; and
- (3) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1199, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (Bunda, Takamine, Tokuda).

**SCRep. 554 Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 633**

The purpose of this measure is to require that at least four members of the Moloka'i Irrigation System Water Users Advisory Board be Hawaiian homestead farmers.

Testimony in support of this measure was submitted by five organizations and seven public citizens. One state agency and three organizations provided comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that under section 168-4, Hawaii Revised Statutes, the Moloka'i homesteaders have a two-thirds water preference for the Moloka'i Irrigation System. In the State Auditor's Report, No. 08-03, Financial and Management Audit of the Moloka'i Irrigation System, it was recognized that the preference accorded to homesteaders is not reflected in any planning and that non-homestead farmers consume approximately eighty per cent of the system's available water. Your Committee believes that additional representation of homestead farmers on the Moloka'i Irrigation System Water Users Advisory Board is needed to better represent the homestead farmers and to ensure that the homestead farmers receive their statutorily guaranteed water preference.

Your Committee has amended this measure by:

- (1) Adopting the recommendations of the Department of Agriculture and adding definitions for "homestead farmer user" and "kupuna homestead farmer user";
- (2) Requiring that at least two members be homestead farmers, including one being a kupuna homestead farmer user;
- (3) Deleting the designated member from the Department of Hawaiian Home Lands, and replacing it with the supervisor of the Moloka'i District Office of the Department of Hawaiian Home Lands as an ex-officio member;
- (4) Deleting the requirement that at least four members be Hawaiian homestead farmers;
- (5) Defining a quorum, and prohibiting members from acting on matters with which they may have a conflict of interest;
- (6) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and

(7) Making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 633, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 633, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Takamine, Tokuda).

**SCRep. 555 (Majority) Ways and Means on S.B. No. 389**

The purpose of this measure is to improve the efficiency of the allotment process for state capital improvement projects.

Specifically, this measure directs the Legislative Reference Bureau to review the memorandum of understanding between the Department of Education and the Department of Budget and Finance for the allotment of capital improvement projects. The purpose of the review is to provide analysis and recommendations so that the allotment processes may be replicated for use by other state agencies.

Three state agencies offered comments on the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the allotment process for state capital improvement projects is generally governed by Part II of Chapter 37, Hawaii Revised Statutes. However, the Department of Education and the Department of Budget and Finance currently conduct an allotment process in a manner consistent with a memorandum of understanding that establishes procedures to improve the flow of information and operations between the departments. Your Committee believes that the capital improvement allotment process benefits from improving transparency, understanding, and knowledge of fiscal operations among departments. Accordingly, your Committee finds that a review of the memorandum of understanding would be appropriate to improve fiscal responsibility and increase the efficiencies of other agencies.

Upon further consideration, your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 389, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 1 (Hemmings). Excused, 3 (English, Fukunaga, Hee).

**SCRep. 556 (Majority) Ways and Means on S.B. No. 387**

The purpose of this measure is to affirm the Legislature's intent that appropriation transfers or changes between programs or agencies shall not be made without prior legislative authorization.

Specifically, this measure adds clarifying language to expressly require that appropriation transfers or changes between programs and agencies, when proposed, shall not take effect until approved by the chairpersons of the Ways and Means and Finance committees of the Legislature.

The Office of the Governor and four state departments submitted testimony in opposition to this measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that section 13(d) of Act 185, Session Laws of Hawaii 1970, provided the original basis for the law relating to appropriation transfers or changes between programs or agencies that is now codified in section 37-74(d), Hawaii Revised Statutes. Act 185 specifically stated that "[n]o appropriation transfers or changes between programs or agencies shall be made without legislative authorization. Authorized transfers or changes, when made, shall be reported to the legislature." The intent of the law is clearly stated and is a policy that has been practiced for almost forty years.

Upon further consideration, however, your Committee has amended this measure by deleting paragraph (1) of section 37-74(d), Hawaii Revised Statutes, that requires:

- (1) Approval by the chairs of the money committees of both houses of the Legislature; and
- (2) Reporting to the Legislature, and

by renumbering the remaining paragraphs (2) and (3) as paragraphs (1) and (2) of section 37-74(d), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 387, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (English, Fukunaga, Hee, Kidani).

**SCRep. 557 (Majority) Ways and Means on S.B. No. 646**

The purpose of this measure is to require the Governor to explain, in writing, to the Legislature all policy decisions that reduce or limit appropriations previously approved by the Legislature.

Two private individuals submitted testimony in support of this measure. The Office of the Governor and one state department submitted testimony opposed to this measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee notes that, particularly in these austere financial times, the Governor, on many occasions, has reduced, withheld, or otherwise limited previously approved legislative appropriations. Your Committee feels that it is critical to the integrity of the budgetary process, that the Governor provide an explanation to the Legislature for the reduction, withholding, or otherwise limiting of any previously approved appropriation by the Legislature. Furthermore, your Committee finds that an explanation of the Governor's policy decisions that affect appropriations and programs previously approved by the Legislature would encourage cooperative problem solving to help our State move forward.

Your Committee has amended this bill to:

- (1) Clarify that an explanation from the Governor is also required when appropriations are withheld or otherwise limited; and
- (2) Make a technical amendment to replace a missing word.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 646, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 646, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 1 (Hemmings). Excused, 3 (English, Fukunaga, Hee).

**SCRep. 558      Ways and Means on S.B. No. 1197**

The purpose of this measure is to ensure the effectiveness and accountability of tax expenditures by requiring them to be reviewed every other year.

Specifically, this measure requires the Department of Taxation to submit in each odd-numbered year a report to the Legislature on all tax expenditures in effect. The report shall include information on:

- (1) The purpose and intent of each tax expenditure;
- (2) Any revenue loss resulting from the expenditure; and
- (3) An evaluation of whether the tax expenditure is achieving its intended policy goals, the cost effectiveness of the expenditure, alternatives to the expenditure, and the feasibility of continuing each tax expenditure.

Further, this measure requires all legislation that creates new or expands existing tax expenditures to contain provisions that require:

- (1) A sunset provision;
- (2) An evaluation or study;
- (3) Recapture provisions for taxpayers that fail to meet the requirements under the tax expenditure; and
- (4) Measureable goals and objectives.

For the purposes of this measure, "tax expenditures" includes tax credits, deductions, exclusions, exemptions, and any other tax benefits.

Testimony in support of this measure was submitted by one organization. One state agency and one organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that periodic evaluations of tax expenditures by the State will enable the State to make fiscally-sound and effective spending decisions. Tax expenditures are a less visible use of public resources than public spending, and as such, they deserve careful scrutiny to determine their effectiveness. Your Committee believes that responsible fiscal planning should include an evaluation of the true costs of tax expenditures and result in funding of only those programs that provide an effective and efficient use of tax revenue, especially in a time when revenue is limited.

Accordingly, your Committee finds that the reporting of the costs and uses of tax expenditures will help policy-makers evaluate the effectiveness of tax benefit programs and determine whether those programs are succeeding in meeting their objectives.

Upon further review, your Committee has amended this bill by placing the language of subsection (d) of the new section being added to the Hawaii Revised Statutes into a separate new statutory section, entitled "Tax expenditures; required elements" for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (English, Fukunaga, Hee).

**SCRep. 559      Ways and Means on S.B. No. 1327**

The purpose of this measure is to reduce the interest rate payable on refunds for an overpayment of taxes from two-thirds of one per cent to one-third of one per cent.



One organization provided comments on the measure.

As noted in comments submitted to the Committee, the rate of interest paid on overpayments and underpayments has not been adjusted in the State since 1967. Your Committee finds that as a reflection of the current state of the economy, as well as an attempt by the State to manage expenses during a projected budget shortfall, reducing the interest rate of refunds for tax overpayment to one-third of one per cent on the overpayment of tax is fiscally prudent. While not a substantial saving of state revenue by itself, this measure, when combined with other expense reducing measures under consideration by your Committee, should have an impact on the budget deficit.

Your Committee has amended the measure to: (1) Clarify that it applies only to taxable years beginning after December 31, 2008; and (2) Make technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1327, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (English, Fukunaga, Hee).

**SCRep. 560 Commerce and Consumer Protection on S.B. No. 771**

The purpose of this measure is to require a real estate appraiser who is acting as an arbitrator in a process to determine the fair market value of real estate to comply with the Uniform Standards of Professional Appraisal Practice.

Your Committee received testimony in support of this measure from Hawaii Council of Associations of Apartment Owners and two private citizens. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs and the Hawaii Chapter of the Appraisal Institute. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under the current law, appraisers are required to adhere to the Uniform Standards of Professional Appraisal Practice in determining the value of real estate. Your Committee further finds that it is appropriate for an appraiser who is acting as an arbitrator to rely on the same standard to guide the appraiser's decision in an arbitration process. Your Committee encourages the next legislative body that considers this measure to investigate the benefits and drawbacks of requiring an appraiser acting as an arbitrator to comply with the Uniform Standards of Professional Appraisal Practice in determining the amount of an arbitration award.

Your Committee has amended this measure by:

- (1) Clarifying the requirement that an appraiser acting as an arbitrator shall rely on the Uniform Standards of Professional Appraisal Practice to guide the appraiser's decision determining an arbitration award;
- (2) Adding a provision to require that an appraiser acting as an arbitrator include findings of fact, the rationale for the appraiser's decision, and information on the evidence upon which the award is based in the record of an award;
- (3) Deferring the effective date of this measure to encourage further discussion; and
- (4) Making technical, nonsubstantive changes to the language of this bill for the purpose of conformity with the existing law.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 771, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 561 Commerce and Consumer Protection on S.B. No. 891**

The purpose of this measure is to amend the unfair or deceptive insurance practices statutes by prohibiting certain unfair or deceptive practices by health insurers.

Specifically, the measure:

- (1) Prohibits cancellation or nonrenewal of enrollment because of a medical condition;
- (2) Prohibits withdrawal of authorization for a procedure by the health plan after the provider has provided health care services;
- (3) Prohibits health insurance contract modifications during the term of the contract, unless such modifications are agreed to under a preliminary agreement;
- (4) Prohibits post claims underwriting, i.e., terminating an individual's health plan coverage because the insurer discovers a medical condition that was unknown at the time of underwriting; and
- (5) Provides that eligible charges for nonparticipating providers should be the same as for participating providers.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs. Testimony in support with proposed amendments was submitted by the Hawaii Medical Association. Testimony with comments was submitted by the Hawaii Medical Service Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will ensure clarity for both consumers and health insurers regarding prohibited practices by health insurers. Establishing these provisions in state law will provide clear guidelines and requirements and will help avoid potentially lengthy administrative and court rulings regarding violations.

Your Committee further finds that this measure is based in part on federal law, and the California Knox-Keene Act, which regulates managed care plans.

Your Committee has amended this measure by:

- (1) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (2) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 891, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 891, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 562 Commerce and Consumer Protection on S.B. No. 1129**

The purpose of this measure is to require licensure and registration of athletic trainers.

Your Committee received testimony in support of this measure from the Department of Education and Hawaii Athletic Trainers Association. Testimony in opposition to this measure was received from the Occupational Therapy Association of Hawaii. Testimony with comments on this measure was received from the Physical Therapists Association. The Department of Commerce and Consumer Affairs submitted testimony supporting the completion of a sunrise study prior to regulating athletic trainers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that athletic trainers certified by the Board of Certification of the National Athletic Trainers Association are healthcare professionals who specialize in the prevention, assessment, treatment, and rehabilitation of injuries and illnesses of athletes and others engaged in physical exercise. Athletic trainers are employed in medical settings, public and private secondary schools, institutes of higher education, and fitness centers. Your Committee finds that, due to the nature of the work performed by athletic trainers, some oversight of the profession is necessary to protect the public health, safety, and welfare. Your Committee further finds that although a resolution requesting that the State Auditor conduct a sunrise analysis was passed by the Legislature in 2005, that analysis has not yet been conducted. Finally, your Committee notes that athletic trainers themselves are perhaps the strongest proponents of regulation and oversight of this profession since there is currently nothing in Hawaii law that prohibits an unskilled, unqualified, or unethical individual from practicing athletic training in such a way that could harm individual clients and tarnish the reputation of the profession as a whole.

Your Committee notes that it is moving this measure forward for the purpose of further discussion and feedback toward a concurrent resolution requesting that the Auditor study the registration scheme proposed in this measure. Your Committee further notes that the testimony received from athletic trainers, physical therapists, and occupational therapists reveals that members of these professions often work closely together and perform interrelated functions when caring for patients. Your Committee encourages members of all of these professions to continue to work together to achieve consensus on this measure or other means of regulating the athletic trainer profession.

Your Committee has amended this measure by:

- (1) Removing provisions related to licensure of athletic trainers;
- (2) Removing provisions that defined the scope of practice of athletic trainers;
- (3) Removing the prohibition on unprofessional conduct by an athletic trainer;
- (4) Adding new provisions providing for the registration of athletic trainers with the Department of Commerce and Consumer Affairs; and
- (5) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 563 (Majority) Commerce and Consumer Protection on S.B. No. 1113**

The purpose of this measure is to repeal the requirement that a hotel located in a county with a population in excess of five hundred thousand residents that is converted to a time share must consist of at least sixty units, forty per cent of which are sold or rented as residential apartments.

Your Committee received testimony in support of this measure from Wyndham Worldwide, American Resort Development Association, and Starwood Resorts. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is important to preserve an adequate supply of affordable housing stock for rental or purchase by Hawaii residents. However, time shares also serve an important function in maintaining consistent tourism levels and rehabilitating older hotel properties. Your Committee further finds that the current law places the burden of compliance on the developer of a time share property even though the developer does not have the ability to control the use of independently owned units within the development.

Your Committee has amended this measure by:

- (1) Preserving the provision of the current law that allows timeshares in a county with a population in excess of five hundred thousand, in an existing hotel that has been converted to time share units, thus repealing only the existing language requiring that hotels with more than sixty units have at least forty per cent of the units available as residential apartments for sale or rent; and
- (2) Making a minor, nonsubstantive, technical change for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1113, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Sakamoto). Noes, 1 (Hemmings). Excused, 1 (Ihara).

**SCRep. 564 Energy and Environment on S.B. No. 605**

The purpose of this measure is to require the Department of Health to change its decibel weighting system from the A-weighted system (dBA) system to the C-weighted system (dBC) for purposes of community noise control.

Testimony in support of this measure was submitted by one private organization and three individuals. Testimony in support, with comments or amendments, was submitted by the Honolulu Liquor Commission and one private organization. Testimony in opposition to this measure was submitted by the State Department of Health. Written testimony presented to your Committee may be reviewed on the Legislature's website.

The Department of Health submitted testimony conveying concerns regarding the funding that would be required to adopt administrative rules for the use of the dBC weighting system and to obtain sound level meters that utilize the dBC system. The Department of Health also expressed opposition to substituting the dBA system with the dBC system.

The Honolulu Liquor Commission testified that the county liquor commissions have the authority to investigate violations of the applicable Department of Health's allowable noise levels.

Although its investigators have responded to and attempted to enforce complaints regarding low-frequency noise, the Commission is required to follow the Department of Health's standards, which do not adequately address low-frequency noise. Additionally, the Commission expressed concerns that the current maximum noise level, 70 decibels, may be too loud when measuring low-frequency sound using the dBC system. However, the Commission indicated that it did not have the expertise to recommend an appropriate decibel level to your Committee. The Commission also recommended adding the dBC scale to the existing dBA scale.

Subsequent to the hearing on this measure, the Commission and the Department of Health developed recommendations to address these concerns.

Your Committee finds that the current decibel weighting system, the dBA system, measures high-frequency sound (i.e., treble) but does not take into account the low-frequency sound (i.e., heavy bass sounds) that are particularly troublesome to the public. These sounds apparently penetrate buildings and get into the building structures (walls, floors, furniture), which disturbs residents who are trying to sleep. As more late-night liquor establishments are opening in or near mixed-use or residential areas, late-night low-frequency noise is becoming an increasing problem. Although enforcement of sound restrictions using the dBC weighting system would alleviate these particular concerns, your Committee finds that replacing the dBA system would not be beneficial because high-frequency noise should still be regulated.

Adopting the recommendations from the Liquor Commission and the Department of Health, your Committee has amended this measure by:

- (1) Defining "dBA", "dBC", and "decibels" for purposes of chapter 342F, Hawaii Revised Statutes;
- (2) Requiring the Department of Health to add the dBC decibel weighting system to the current dBA decibel weighting system for purposes of community noise control;
- (3) Deeming 60 decibels for bass sound (using the dBC weighting system) as the maximum sound level permissible at nighttime, and, where a complainant's site is located in close proximity to an area zoned mixed-use or residential, then the maximum permissible sound at nighttime shall be 50 decibels dBC;
- (4) Granting to the Department of Health and the county liquor commissions the discretion to enforce nighttime noise levels between 50 and 60 decibels dBC; and
- (5) Directing the county liquor commissions, with the assistance of the Department of Health and the Department of Labor and Industrial Relations, to develop recommendations for a permanent maximum sound level, in decibels.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Kokubun, Hemmings).

**SCRep. 565      Judiciary and Government Operations on S.B. No. 260**

The purpose of this measure is to:

- (1) Amend the definition of “gambling” to clarify that the purchase of a sweepstakes entry that also provides nominal non-gambling value constitutes gambling even if the sweepstakes entry can be obtained without payment of consideration; and
- (2) Eliminate free play as a defense under certain circumstances.

Your Committee received testimony in support of this measure from the Honolulu Police Department; Honolulu Liquor Commission; The League of Women Voters of Hawaii; Hawaii Coalition Against Legalized Gambling; Maryknoll Sisters; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that there is a proliferation of vending machines that dispense “sweepstakes” game cards that can also be used to make brief, long distance telephone calls. These cards typically cost \$1 each and, while vendors make it possible to obtain a card by mail at no cost, these cards are from a separate pool of possible winners, rather than the pool of cards placed in a vending machine. Your Committee believes that the chance element of this scheme should constitute gambling.

Your Committee notes that the Honolulu Liquor Commission does not issue licenses, permits, or approvals for those machines. Your Committee further notes that the liquor commissions are lacking in current resources to enforce this measure.

Your Committee has amended this measure by:

- (1) Deleting the purpose section;
- (2) Making the criminal provision effective January 1, 2011; and
- (3) Changing the effective date of the entire measure to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 260, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 260, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 566      Judiciary and Government Operations on S.B. No. 1192**

The purpose of this measure is to increase the jurisdictional limits of small claims court, as follows:

- (1) For cases for the recovery of money, from \$3,500 to \$7,000, exclusive of interest and costs; and
- (2) For cases for the return of leased or rented personal property, from \$3,500 to \$7,000, exclusive of interest and costs.

Your Committee received testimony in support of this measure from the Legal Aid Society of Hawai‘i, Access to Justice Commission, The Mediation Center of the Pacific, Inc., and four individuals. Comments were received from the Judiciary. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that this measure would allow a person with a claim of \$7,000 or less to use the small claims court. Increasing the jurisdictional limit of the small claims court to \$7,000 will enable more people to pursue their claims in an easier, less expensive and more expeditious manner than is the usual case in the Regular Claims Division of the District Court or the Circuit Court.

Your Committee is aware that raising the limit to \$7,000 would enable a litigant to demand a jury trial under the Hawaii State Constitution’s right to a jury trial in matters over \$5,000. Your Committee understands the potential increase in costs and time involved in a jury trial. Nevertheless, your Committee believes that this measure has merits that deserve further consideration and discussion.

Your Committee has amended this measure by changing the effective date to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1192, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 567      Judiciary and Government Operations on S.B. No. 1349**

The purpose of this measure is to:

- (1) Clarify which types of authorized changes to notarized documents shall not constitute misrepresentation of a notarized document in the first or second degrees;
- (2) Clarify that it shall not be considered misrepresentation of a notarized document if alternations made to the document after notarization have been approved by all parties who signed it; and

- (3) Provide that for the purpose of the offense of failure to authenticate with a certification statement, if the number of pages of the document being notarized cannot be readily ascertained, the notary public is required to state that the number of pages is unknown.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Title Guaranty of Hawaii.

Your Committee finds that the processing of real estate transactions involves documentation that often requires the participation of many parties, some of whom may be located in other states or countries. It also involves satisfying the requirements of lenders, and ultimately the documents must be acceptable to the Bureau of Conveyances and the Office of the Assistant Registrar of the Land Court. This measure would facilitate the processing and acceptance of such documents.

Your Committee has amended this measure by:

- (1) Deleting section 2, relating to the elements of failure to authenticate with a certification statement;
- (2) Adding Senate Bill No. 850, SD1, relating to notary seals, which require a notary public's commission number to be included on the notary public's official seal or stamp; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1349, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1349, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 568 Public Safety and Military Affairs on S.B. No. 213**

The purpose of this measure is to require the Department of Public Safety to establish performance indicators that provide data on the success and failures of rehabilitative programs and to provide the Legislature with a report on the performance indicators each month beginning on July 31, 2009.

Testimony in support of this measure was submitted by three private organizations and five individuals. Testimony in opposition of this measure was submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that establishing key performance indicators that can be used to analyze comprehensive reentry and other rehabilitative programs is necessary to track the progress of those programs. Your Committee also finds that requiring the Department of Public Safety to submit a report on the performance indicators to the Legislature is vital for the Legislature to assess the Department of Public Safety's effectiveness in implementing those programs.

Your Committee has amended this measure by:

- (1) Amending the list of key performance indicators to include information relating to inmates and parolees; and
- (2) Amending the Department of Public Safety's reporting requirement to the Legislature from monthly to only requiring a report within thirty days of the last working day of April, August, and December, beginning with the period ending on August 31, 2009.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 213, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 569 Public Safety and Military Affairs on S.B. No. 539**

The purpose of this measure is to reorganize and rename the Corrections Program Services Division of the Department of Public Safety to the Reentry Services Division.

This measure also requires the Reentry Services Division to work closely with the prison furlough programs in each county.

Testimony in support of this measure was submitted by two private organizations. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that renaming the Intake Service Center Division is complementary to the initiatives of the division to provide programs and services to successfully integrate the present and future reentry needs of inmates. Your Committee also finds that authorizing the Reentry Intake Services Division to work closely and collaborate with the furlough programs of each county, the Hawaii Paroling Authority, and the Corrections Program Services Division ensures that the reentry needs of inmates will be met.

Your Committee has amended this measure by:

- (1) Renaming the Intake Service Center Division to the Reentry Intake Services Division;
- (2) Changing all references to the Intake Service Center Division to the Reentry Intake Services Division;

- (3) Changing the date of the transition of the programs and services from the Intake Service Center Division to the Reentry Intake Services Division from June 30, 2009, to July 1, 2009;
- (4) Adding to the duties and responsibilities of the Reentry Intake Services Division by requiring the Division to work closely and collaborate with the Hawaii Paroling Authority and Corrections Program Services Division;
- (5) Changing all references to the Corrections Program Services Division, other than the reference to the Corrections Program Services Division in section 353C- (b)(5), Hawaii Revised Statutes, to the Intake Service Center Division; and
- (6) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 539, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 539, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Gabbard, Galuteria).

**SCRep. 570 (Joint) Health and Commerce and Consumer Protection on S.B. No. 114**

The purpose of this measure is to ensure that families who have overlapping or dual dental insurance coverage are able to obtain the full benefits of these insurance coverages.

Specifically, this measure requires insurers that provide dental insurance coverage to:

- (1) Declare its coordination of dental benefits policy prominently in its evidence of coverage or contract with the insured;
- (2) When acting as a primary dental benefits plan, pay the maximum amount required by its contract with the insured; and
- (3) When acting as a secondary dental benefits plan, pay the lesser of either the amount that it would have paid in the absence of any other dental benefits coverage, or the insured or beneficiary's total out-of-pocket cost payable under the primary dental benefits plan for benefits covered under the secondary plan.

Your Committees received testimony in support of this measure from the Hawaii Dental Association. Your Committees received testimony in opposition to this measure from the Hawaii Medical Service Association.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that dental insurance coverage is an important component to the overall health and wellbeing of families in Hawaii. Families that are fortunate to have dual insurance policies covering dental care are finding that they are not getting the full benefit of the two policies they or their employers are paying for. Your Committees find that dental benefits need to be coordinated and insurers need to make available the coordination of dental benefits policy to their members.

Your Committees have amended this measure by:

- (1) Clarifying that the coordination of benefits rules shall apply to each person that is covered by two or more of the following that cover dental services:
  - (A) Policies, contracts, plans, and agreements with a dental service corporation as authorized by chapter 423, Hawaii Revised Statutes;
  - (B) Blanket disability insurance policies or blanket disability insurance policies regulated under chapter 431, Hawaii Revised Statutes;
  - (C) Individual or group hospital or medical service plans regulated under chapter 432, Hawaii Revised Statutes; and
  - (D) Policies, contracts, plans and agreements regulated under chapter 432D, Hawaii Revised Statutes;
- (2) Requiring that the coordination of benefits rules shall be consistent with the National Association of Insurance Commissioners Coordination of Benefits Model Regulation relating to order of benefit determinations; and
- (3) Requiring each employer offering policies, contracts, plans, or agreements covering dental services to inform its employees of any coordination of dental benefits policy.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 114, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 114, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 3 (Ihara, Nishihara, Sakamoto).

**SCRep. 571 Commerce and Consumer Protection on S.B. No. 595**

The purpose of this measure is to grant boards of directors of associations of apartment owners the authority to permit the installation of antennas for amateur radios in apartments and limited common areas.

Your Committee received testimony in opposition to this measure from the Community Associations Institute, Hawaii Council of Associations of Apartment Owners, and Mililani Town Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that because amateur radio operators are part of the emergency preparedness network, they should be allowed to operate without unreasonable barriers. Your Committee notes that the testifiers' objections to this measure are based largely on objections to intrusion into private property rights. However, your Committee finds, in light of the important public purpose served by the emergency preparedness network and the amendments made to this measure by your Committee, this measure is sufficiently protective of private property rights.

Your Committee has amended this measure by:

- (1) Removing language that would have allowed a board of directors of an association to override the wishes of nonconsenting property owners;
- (2) Deferring the effective date of this measure to encourage further discussion of the issue; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 595, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 595, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Ihara).

**SCRep. 572 Commerce and Consumer Protection on S.B. No. 887**

The purpose of this measure is to update and clarify the existing law governing licensure and regulation of escrow depositories to reflect the growth and the changing practices of the industry over the more than three decades that have passed since the law was enacted.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current law governing the licensure and registration of escrow depositories has not been updated in thirty-six years. In that time, the transactions routinely handled by Hawaii's escrow depositories have grown in both number and size so that many escrow depositories may currently be undercapitalized although they are compliant with the current law. The current law does not provide adequate protections to consumers and does not provide consumers or escrow depositories with a contemporary framework for the conduct of escrow transactions.

Your Committee notes that the issue of statutorily requiring arbitration to resolve disputes involving escrow depositories was raised at the hearing on this measure. Your Committee finds that an arbitration mandate is more appropriately addressed in an individual escrow contract than in statute. Therefore, your Committee has excluded an arbitration requirement from this measure and recommends that such a requirement not be inserted at a later stage in the legislative process.

Your Committee has amended this measure by:

- (1) Specifying that an emergency situation that may compel closure of an escrow depository includes a flood;
- (2) Adding a new section to direct associations of escrow companies to provide their members with updated educational materials on a regular basis;
- (3) Adding a definition of "tangible net capital";
- (4) Clarifying that the tangible net capital requirements of this measure apply equally to all escrow depositories regardless of their status as a corporation, partnership, limited liability corporation, limited liability partnership, or other corporate status;
- (5) Deferring the effective date of this measure to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 887, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 887, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 573 (Joint) Health and Commerce and Consumer Protection on S.B. No. 166**

The purpose of this measure is to ensure that oral chemotherapy treatments are covered by health insurance by requiring health insurance providers to provide parity of coverage for oral and intravenous chemotherapy.

Your Committees received testimony in support of this measure from the Department of Human Services and the American Cancer Society. Testimony in opposition of this measure was submitted by the Hawaii Association of Health Plans and Hawaii Medical Service Association. Comments on this measure were submitted by the Department of Commerce and Consumer Affairs and the American Family Life Assurance Company of Columbus.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that most insurers provide coverage for chemotherapy treatments. Therefore, the need for an Auditor's impact assessment report is unnecessary.

Your Committees further find that this measure is intended to cover all chemotherapy drugs and treatments regardless of how the drugs or treatments are administered and regardless of whether the treatment is considered pharmaceutical or not.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that all cancer treatments, including oral and intravenous treatments, shall be covered by health insurance providers regardless of how the treatments are administered;
- (2) Excluding the provisions of this Act from section 23-51 which requires an Auditor's impact assessment report;
- (3) Changing the effective date to July 1, 2050 to encourage further discussion on the matter; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 166, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 166, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Ihara, Nishihara).

**SCRep. 574 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 588**

The purpose of this measure is to enhance the federal Medicare Rural Hospital Flexibility Program and federally qualified health centers by requiring health plans other than government payers licensed to do business in Hawaii to reimburse critical access hospitals at one hundred and one per cent of costs, consistent with Medicare, and to reimburse federally qualified health centers at prospective payment system rates.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Health Systems Corporation, and the Hawaii Primary Care Association. The Hawaii Medical Association supports the measure with amendments. Your Committees received testimony supporting the intent of the measure from Hawaii Medical Service Association. Testimony in opposition to this measure was submitted by Summerlin Life & Health Insurance Company.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that rural hospitals and federally qualified health centers in Hawaii have been losing money at alarming rates over the past several years. These facilities provide necessary care to the community. Your Committees find that ensuring the viability of these facilities is crucial and requires that payment for services is adequate, at a minimum.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 588, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, 1 (Hemmings). Excused, 2 (Ihara, Nishihara).

**SCRep. 575 (Joint) Health and Commerce and Consumer Protection on S.B. No. 940**

The purpose of this measure is to require insurers, mutual benefit societies, and health maintenance organizations to make direct payments to the State that funds the provision of pre-hospital ambulance treatment and transport services.

Your Committees received testimony in support of this measure from the Department of Health and the Department of Commerce and Consumer Affairs. Testimony was submitted by American Family Life Assurance Company of Columbus in support of this measure with amendments. Testimony in opposition of this measure was submitted by Hawaii Medical Service Association.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that, prior to 2008, direct payment for pre-hospital ambulance treatment and transport services has historically been a contract negotiation between the State and insurance providers. Therefore, your Committees are hesitant to become involved with the practice of requiring direct payment services and would encourage the State and insurance companies to come to a mutual agreement regarding a process for the payment for these services.

Your Committees have amended this measure by:

- (1) Clarifying that "pre-hospital ambulance treatment and transport services" means ambulance treatment and transport services generated through requests to the State's 911 system;
- (2) Clarifying that insurers that offer coverage for pre-hospital ambulance treatment and transport services, shall provide for direct payment for the provision of pre-hospital ambulance treatment and transport services;
- (3) Exempting any transaction between the provider of pre-hospital ambulance treatment and transport services and the insurer if the parties have entered into a contract providing for direct payment;
- (4) Changing the effective date to July 1, 2050 to encourage further discussion on the matter; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.



As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 940, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 940, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Ihara, Nishihara).

**SCRep. 576 (Joint) Health and Energy and Environment on S.B. No. 1008**

The purpose of this measure is to revise the State's water quality standards for bacteria in marine recreational waters and for two toxic pollutants, chlordane and dieldrin, to conform to federal standards consistent with the recommendations of the Department of Health and the United States Environmental Protection Agency.

Specifically, this measure updates the water quality standards for chlordane and dieldrin to conform to current national criteria recommended by the United States Environmental Protection Agency. This measure further sets limits for enterococcus content in samples taken in coastal recreation waters.

Your Committees received testimony in support of this measure from the Mayor of the City and County of Honolulu, and the Deputy Director of the Department of Environmental Services of the City and County of Honolulu. The Department of Health submitted testimony in support of the measure with amendments. Testimony in opposition to this measure was submitted by Hawaii's Thousand Friends and the Sierra Club, Hawaii Chapter. Comments on this measure were submitted by Surfing Medicine International.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the United States Environmental Protection Agency recently denied the City and County of Honolulu's applications to renew permits under section 301(h) of the Federal Clean Water Act for both wastewater treatment plants located in Honolulu. According to testimony submitted by the Mayor of the City and County of Honolulu, the denials were a result of out-dated or incorrect state water quality standards which are subject to a mandatory triennial review, which is overdue.

Your Committees further find that the Department of Health submitted testimony supporting the concept of changing the state water quality standards for most toxic pollutants by tying them to the national criteria currently recommended by the United States Environmental Protection Agency. Your Committees note that the Department of Health submitted several recommendations for amendments to this measure including the recommendation that a broader approach for setting water quality standards be adopted that covers more than chlordane and dieldrin.

Accordingly, your Committees have amended this measure by:

- (1) Adding clarifying language to the purpose section and the effective date section concerning the effect of state review and adoption of state water quality standards and federal approval;
- (2) Deleting the chlordane and dieldrin standards and replacing them with criteria for all priority and non-priority pollutants and providing that, when there is no nationally recommended criterion promulgated for a priority or non-priority pollutant, relevant provisions in chapter 11-54, Hawaii Administrative Rules, relating to that pollutant shall not be repealed or deemed inconsistent and shall remain in effect;
- (3) Adding a provision that, at locations where samples are taken less frequently than five samples for each twenty-five to thirty days, no single sample shall exceed the single sample maximum nor shall the geometric mean of these samples taken during the twenty-five to thirty-day period exceed thirty-five colony forming units per one hundred milliliters;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion on this matter; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1008, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1008, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Ihara, Kokubun, Nishihara).

**SCRep. 577 Judiciary and Government Operations on S.B. No. 705**

The purpose of this measure is to provide a procurement exemption for General Services Administration approved sole source vendors involving matching federal funds, if the sole source vendor was responsible for obtaining the federal funding for the project.

Your Committee finds that this measure is narrowly drafted to address procurements that may be useful to the State, such as homeland security projects that may benefit the protection of Hawaii harbors.

Your Committee has amended this measure by:

- (1) Raising the small purchases limit from \$50,000 to \$100,000 for procurements of goods and services, pursuant to chapter 103D, Hawaii Revised Statutes;
- (2) Requiring that construction contracts of less than \$250,000 be treated as small purchases and be subject to specified bonding requirements; and
- (3) Changing the effective date to July 1, 2050 and repealing the measure on July 1, 2011, to encourage continued discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 705, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 578      Judiciary and Government Operations on S.B. No. 1661**

The purpose of this measure is to clarify the permissible attendance by board members at other meetings, for purposes of the public agency meetings law.

Your Committee received comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee notes that section 92-2.5, Hawaii Revised Statutes, currently governs discussions and other communications among board members outside of a meeting of the board. Permitted interactions of neighborhood board members at attendance at informational meetings and presentations is governed by section 92-82, Hawaii Revised Statutes.

Your Committee finds that board members need guidance regarding when they may attend meetings of other boards and the extent of their permissible interaction at those meetings. This measure clarifies the existing law by enabling board members to attend another agency's meeting if a topic that pertains to the board member's future board agenda may be discussed; provided that the board member does not participate in the discussions. Furthermore, the measure allows board members to attend meetings not under their board's purview. In addition, the board member would be required to disclose the board member's attendance and the disclosure would be recorded in the minutes of the board member's board meeting. The measure also allows a board to continue to meet even though a quorum is not present; provided that no actions are taken.

- (1) Your Committee has amended this measure by distinguishing official meetings to which this measure applies and other types of interactions to which existing laws apply;
- (2) Deleting subsections (b) and (c) from the new section in section 1 of this measure, as the Office of Information Practices indicated these subsections are unnecessary;
- (3) Changing the effective date to July 1, 2050 to continue the discussions in this matter; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1661, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1661, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 579      Commerce and Consumer Protection on S.B. No. 892**

The purpose of this measure is to update the Insurance Code by making housekeeping amendments and updating continuing education requirements for insurance licensees.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Hawaii Captive Insurance Council. Testimony in opposition to this measure was received from Hawaii Association for Justice and Hawaii Medical Service Association. Testimony with comments on this measure was received from the National Association of Insurance and Financial Advisors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to bring Hawaii's insurance industry into uniformity with best practices in insurance regulation and to respond to changes in the industry. Your Committee notes that the provisions relating to issuance of a surplus lines broker license and continuing education requirements for insurance licensees are based on recommendations by the National Association of Insurance Commissioners (NAIC) and reflect a policy of achieving greater uniformity in insurance regulation across states. Greater uniformity will make insurance regulation less burdensome and simpler for insurers, producers, and regulators. Further, the audit provisions in this measure are required by the NAIC as a condition of continuing accreditation.

Your Committee has amended this measure by:

- (1) Repealing the current requirement that insurers submit printed copies of rate filings to the Insurance Commissioner and replacing it with an option to submit either electronic or paper filings consistent with Hawaii's March 1, 2009 adoption of the NAIC's System for Electronic Rate and Form Filing;
- (2) Increasing the required number of continuing education credits relating to an insurance licensee's line of authority from eighteen to twenty-one;
- (3) Removing the provision that amended section 431:10C-408, Hawaii Revised Statutes;
- (4) Clarifying that the three hours of continuing education ethics training required of insurance licensees shall include instruction on Hawaii's laws and rules specific to the licensee's line of authority; and
- (5) Making technical, nonsubstantive changes for the purpose of clarity and accuracy of the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 580 Commerce and Consumer Protection on S.B. No. 1223**

The purpose of this measure is to preserve the integrity of the “Made in Hawaii” brand in order to protect Hawaii’s local artisans from unfair trade practices that flood the handcrafted market with counterfeit, imported, and mass produced goods.

Your Committee received testimony in support of this measure from Moanalua Gardens Foundation, Creations of Hawaii, and four private citizens. Testimony in opposition to this measure was received from Hawaii Food Industry Association, Retail Merchants of Hawaii, Hawaiian Host, Inc., Hawaii Coffee Association, and Hawaii Coffee Company. Testimony with comments on this measure was received from the Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that the “Made in Hawaii” label is an important designation and should be a clear indication that a product was produced in Hawaii and is substantially composed of materials from Hawaii. Your Committee further finds that preserving the integrity of the “Made in Hawaii” label is important from an economic standpoint as well as to honor the local artisans who keep native traditions alive through art. A meaningful “Made in Hawaii” label benefits local artisans and craftspersons who are currently forced to compete at an unfair disadvantage in the marketplace against unethical producers who unfairly imply that mass-produced, imported, or counterfeit goods are made in Hawaii through labeling or other means. The “Made in Hawaii” label also benefits the tourism industry when high-quality unique goods are presented across the world as examples of Hawaii’s culture.

Your Committee has amended this measure by:

- (1) Restoring the portion of wholesale value added required to qualify as “Made in Hawaii” to the current law’s requirement of fifty one per cent;
- (2) Directing the Department of Agriculture to convene a working group of stakeholders including artisans, merchants, government agencies, and others to collaborate to resolve any remaining issues, especially those relating to enforcement, surrounding this matter;
- (3) Deferring the effective date of this measure to encourage further discussion; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1223, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1223, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 581 Economic Development and Technology on S.B. No. 1672**

The purpose of this measure is to amend the archival photograph requirements that are necessary to obtain a permit for the demolition, construction, or other alteration of a historic building that is eligible for listing on the Hawaii or National Register of Historic Places.

Specifically, this measure allows the required photographs for a permit to be in any format, including electronic, rather than requiring archival quality black and white photographs.

Testimony in support of this measure was submitted by the City and County of Honolulu Department of Planning and Permitting, the Hawaiian Electric Company, the Hawaii Association of Realtors, and the Land Use Research Foundation of Hawaii. Testimony in opposition of this measure was submitted by the Department of Land and Natural Resources, the Hawaii Historic Foundation, the American Public Works Association Hawaii Chapter, the Chamber of Commerce of Hawaii, the Hawaii Developers Council, and the Building Industry Association Hawaii. Comments on this measure were submitted by the American Institute of Architects Hawaii Chapter, and the Society for Hawaiian Archeology. Written testimony presented to your Committee may be reviewed on the Legislature’s website.

Your Committee finds that Act 228, Session Laws of Hawaii 2008, requires state, county, or private property owners to submit archival quality photographs to the Department of Land and Natural Resources State Historic Preservation Division prior to issuance of a permit or the commencement of an undertaking that will alter, impact, or demolish a building over fifty years old.

While the original intent of Act 228 was to produce a lasting record of Hawaii’s historic buildings at risk of imminent destruction (for example, the historic Walker Estate in Nuuanu or Varsity Theater in Moiliili), its provisions were not sufficiently precise to narrow the scope of structures subject to the archival photograph requirement.

During 2008, implementation of Act 228 substantially impacted the timely processing of building permits in Honolulu. For example, the Department of Planning and Permitting reported approving 13,221 additions, alterations, and repairs to private structures and issuing 1,019 building permits for alterations and repairs of single-family and two-family dwellings. Given the magnitude of private structures subject to Act 228’s archival photograph requirement, your Committee convened a working group in Fall 2008 to identify practical solutions to the unintended consequences of Act 228. The original draft of this measure was based on recommendations from a range of stakeholders, including the Department of Land and Natural Resources, the City and County of Honolulu’s Department of Planning and Permitting, and several architect, engineer, and contractor organizations whose work was heavily impacted by the new Act 228 archival photograph requirements.

Your Committee acknowledges the comments and thoughtful examination of this issue by interested stakeholders who have worked to clarify both the categories of activity (e.g., demolition, construction, and alterations) as well as types of structures (e.g., those

eligible for listing on the Hawaii or National Register of Historic Places versus those that have already been identified as being eligible for listing through publicly-reviewed environmental assessments and environmental impact statements) for which photographs should be required.

In light of today's difficult economic climate, your Committee believes that correcting the unintended consequences of Act 228 should be done immediately. Developing an inventory of historically significant structures subject to the requirement for photographs should be phased separately to provide county planning agencies and the Department of Land and Natural Resources with a specific list of structures subject to the broader eligibility requirements for listing on the Hawaii or National Historic Register of Historic Places.

Your Committee has amended this measure by deleting its contents, with the exception of section 5, and replacing it with the contents of S.B. No. 954. As amended, this measure:

- (1) Amends section 6E-8(a), Hawaii Revised Statutes, to delete the requirement that archival quality black and white photographs be submitted with a permit application;
- (2) Amends section 6E-10(b), Hawaii Revised Statutes, to include, for purposes of the photograph requirements, any buildings over fifty years old that are nominated for listing or listed on the Hawaii or National Register of Historic Places;
- (3) Requires the Department of Land and Natural Resources to certify receipt of the photographs submitted by an owner of a privately-owned structure within twenty days of the Department's receipt of the photographs;
- (4) Amends section 46-3.5, Hawaii Revised Statutes, to include, for purposes of the photograph requirement, a building that is nominated for listing or listed on the Hawaii or National Register of Historic Places;
- (5) Revises the definition of "photographs" to mean dated pictures, taken within one month of applying for any building permit; and
- (6) Requires the Legislative Reference Bureau, the Office of Environmental Quality Control, and the University of Hawaii Environmental Center to assist the task force in inventorying structures previously recognized for their historic value through publically-reviewed environmental assessments or environmental impact statements.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1672, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1672, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 582 (Joint) Economic Development and Technology and Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 1195**

The purpose of this measure is to amend the Hawaii State Planning Act to include references to science and technology initiatives to help Hawaii achieve various economic objectives.

This measure also amends the Department of Business, Economic Development, and Tourism's reporting requirement to the Legislature on the growth of emerging growth industries in Hawaii.

Testimony in support of this measure was submitted by Hawaii Science & Technology Council. Testimony in opposition of this measure was submitted by the Department of Business, Economic Development, and Tourism Office of Planning. Comments on this measure were submitted by the Department of Business, Economic Development, and Tourism. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that it is essential to plan for science and technology initiatives that will play an instrumental role in developing Hawaii's economy to enable the State to capitalize on the financial opportunities that emerging industries involving science and technology often present. Your Committees also find that requiring the Department of Business, Economic Development, and Tourism to revise the criteria they use in measuring the growth of emerging growth industries in Hawaii will provide the Legislature with a more complete perspective of the economic opportunities available to Hawaii.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1195, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1195, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 5 (Bunda, Ige, Kokubun, Takamine, Slom).

**SCRep. 583 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1077**

The purpose of this measure is to encourage health insurance providers to offer preventative health care plans to its members, enrollees, or new applicants that cover preventative health care services by establishing a temporary Preventative Health Care Task Force.

Your Committees received testimony in support of this measure from the Hawaii Employees Government Association. Testimony was received by the Department of Commerce and Consumer Affairs supporting the intent of the measure. Testimony in opposition to this measure was submitted by Hawaii Medical Service Association. Comments and suggestions on this measure were submitted by the Department of Health and the Hawaii Nutrition and Physical Activity Coalition.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the provision of preventative health care will reduce overall health care costs, particularly addressing diseases, such as heart disease and diabetes, that are either preventable or reversible. Your Committees further find that the Hawaii Nutrition and Physical Activity Coalition Healthcare Task Force has been working on goals to "increase the engagement of health providers in health promotion" and that a representative from this task force would be a beneficial component to the membership of the task force established in this Act.

Accordingly, your Committees have amended this measure by:

- (1) Including in the task force membership a representative from a local health insurance provider and a representative from the Hawaii Nutrition and Physical Activity Coalition Healthcare Task Force; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1077, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1077, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Ihara, Nishihara).

**SCRep. 584 (Joint) Health and Commerce and Consumer Protection on S.B. No. 430**

The purpose of this measure is to provide for the early detection of colorectal cancer by requiring health insurers to cover colorectal cancer screening by colonoscopy every ten years, beginning at age fifty.

Your Committees received testimony in support of this measure from the American Cancer Society. Testimony in opposition to this measure was submitted by Kaiser Permanente and Hawaii Medical Service Association. Comments on this measure were submitted by the Department of Commerce and Consumer Protection.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the section 23-51, Hawaii Revised Statutes, requires the Auditor to conduct an impact assessment report, assessing the social and financial effects of measures that mandate health insurance coverage for specific diseases. However, your Committees find that this is a money-saving, cost-effective measure. The cost of mandating health insurance coverage for colorectal cancer screening by colonoscopy every ten years, beginning at age fifty, is negligible compared to the cost of treatment for colorectal cancer.

Your Committees find that extensive studies have been conducted by the American Cancer Society regarding the cost of treating colorectal cancer. When detected early, the average cost is between \$30,000 and \$35,000. If detected late, the average cost is in excess of \$100,000. The cost for providing colorectal cancer screening is extremely low when compared to the cost of treatment. The per member, per month cost of colonoscopy every ten years is 55 cents.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that this mandate is exempt from section 23-51, Hawaii Revised Statutes, that requires an Auditor's impact assessment report; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 430, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 430, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Ihara, Nishihara).

**SCRep. 585 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 794**

The purpose of this measure is to require health insurance providers to include in their policies coverage for weight management and obesity prevention, evaluation, and guidance services for children covered under the policy.

Your Committees received testimony in support of this measure from Kapi'olani Medical Center, Hawaii Primary Care Association, Waikiki Health Center, the Hawaii Association for Health, the American Academy of Pediatrics, the American Cancer Society, and the Hawaii Dietetic Association. Testimony was received by the American Heart Association and the American Family Life Assurance Company of Columbus in support this measure with amendments. Kaiser Permanente and Hilopa'a submitted testimony in support of the intent of this measure.

Your Committees received testimony in opposition to this measure from the Department of Human Services, Hawaii Medical Service Association, and the Healthcare Association of Hawaii. Comments on this measure were submitted by the Department of Commerce and Consumer Affairs.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that childhood obesity is a chronic disease which has been associated with the increasing incidence of type II diabetes, metabolic diseases, and poor self-esteem. This measure is intended to enhance the pediatric health care providers' ability to intervene in this chronic disease and begin the process of avoiding greater medical consequences as adults.

Your Committees further find that this measure mandates health insurance coverage which requires an Auditor's impact assessment report pursuant to section 23-51, Hawaii Revised Statutes. Your Committees find that further study would be constructive to ensure the success of the mandate.

Your Committees have amended this measure by:

- (1) Excluding accident-only, specified disease, hospital indemnity, medicare supplement, long-term care, or other limited benefit health insurance policies from the mandate; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 794, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 794, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 1 (Hemmings). Excused, 2 (Ihara, Nishihara).

**SCRep. 586 (Joint) Health and Commerce and Consumer Protection on S.B. No. 591**

The purpose of this measure is to reduce the number of uninsured individuals in the State by requiring insurers that offer health care coverage to the regular employees of any group or association to offer the same coverage to part-time employees working at least 15 hours per week. It further requires the Insurance Commissioner to report to the Legislature on the costs and benefits of this measure.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Testimony in support of the intent of this measure was submitted by Kaiser Permanente. Comments on this measure were submitted by Hawaii Medical Service Association.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that a significant number of uninsured people in Hawaii are part-time workers. This measure will fill a void in the Prepaid Health Care Act by requiring health plans to offer group coverage to employers for part-time employees who work at least 15 hours per week.

Your Committees have amended this measure by:

- (1) Changing the effective date to January 1, 2050, to encourage further discussion on this matter; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 591, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 591, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, none. Excused, 2 (Ihara, Nishihara).

**SCRep. 587 (Joint) Health and Public Safety and Military Affairs on S.B. No. 1073**

The purpose of this measure is to ensure a healthy work environment for correctional facility employees by repealing the exemption that permits smoking in correctional facilities.

Your Committees received testimony in support of this measure from the Department of Health, the Department of Public Safety, the Coalition for a Tobacco-Free Hawaii, and the American Lung Association. Your Committees received comments on this measure from the Community Alliance on Prisons.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that most states across the nation have already implemented smoke-free prison systems that have created a healthier environment for inmates and staff alike, reducing the risk of tobacco related diseases.

Your Committees further find that the correctional facilities in Hawaii already prohibit smoking by inmates. This measure provides the next positive step by creating a healthier work environment for everyone at the facility.

Your Committees have amended this measure by changing the effective date to July 1, 2050 to encourage further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1073, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1073, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Bunda, Green, Kidani).

**SCRep. 588 Judiciary and Government Operations on S.B. No. 19**

The purpose of this measure is to clarify that the Administrative Director of the Courts has the power to serve as Chief Procurement Officer for the Judiciary.

Your Committee received comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee believes that this measure is unnecessary, since section 103D-203(a)(1), Hawaii Revised Statutes, already designates the Administrative Director of the Courts as the Chief Procurement Officer for the Judiciary.

Accordingly, upon further consideration, your Committee has amended this measure by deleting its contents and inserting provisions to provide a procurement preference to a contractor in a public works construction contract of not less than \$250,000 if the contractor is a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations at the time of general bidding.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 19, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 19, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 589            Judiciary and Government Operations on S.B. No. 532**

The purpose of this measure is to limit the liability of a property owner for the injury or death of a perpetrator that occurs on the owner's property during or after the commission of certain felonies by the perpetrator.

Your Committee finds that this measure addresses claims for monetary or other civil relief by the perpetrator of the most serious felony crimes, typically occurring on a homeowner's property when the homeowner is present on the premises. Your Committee notes that this measure is civil in nature and does not increase criminal penalties or otherwise affect criminal law provisions. Under this measure, the owner is afforded protection from civil claims by the perpetrator of the felony or the representative of the perpetrator for damages caused by the owner in the defense of himself or his property.

Your Committee has amended this measure by:

- (1) Limiting the applicable class B felonies to those involving violence or physical harm;
- (2) Clarifying that the limitation on liability arises from the moment the owner, or agent of the owner lawfully on the premises by consent of the owner, believes that a commission of a felony is imminent;
- (3) Clarifying that the limitation of liability shall not be affected by the failure of the owner to warn the perpetrator of the felony that the owner is armed and ready to cause bodily harm or death, except as otherwise provided in the measure;
- (4) Clarifying that liability is not limited for injury or death caused to individuals other than the perpetrator of the felony;
- (5) Clarifying the definition of "owner" to include tenant, employee, and agent of the owner lawfully on the premises;
- (6) Changing the effective date to July 1, 2050, to continue the discussions on this matter; and
- (7) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 590            Judiciary and Government Operations on S.B. No. 1222**

The purpose of this measure is to create the misdemeanor offense of confinement of a pet animal on public property, and to decrease from twenty to ten the number of dogs or cats deprived of necessary sustenance in the offense of animal hoarding.

Your Committee received testimony in support of, in opposition to, and commenting on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Under this measure, a person commits the offense of confinement of a pet animal on public property if the person intentionally, knowingly, or recklessly confines a pet animal in a cage on public property for more than four hours, with some excepted circumstances. It is an affirmative defense that the pet animal's confinement was beneficial to the animal.

The Hawaiian Humane Society testified in opposition to this measure that current laws in place address "issues as they relate to animals being kept in inhumane confinements, such as the animal cruelty law, where the basics of 'necessary sustenance' are clearly and distinctly defined."

Section 711-1100, Hawaii Revised Statutes, defines "necessary sustenance" as follows:

"Necessary sustenance" means care sufficient to preserve the health and well-being of a pet animal, except for emergencies or circumstances beyond the reasonable control of the owner or caretaker of the pet animal, and includes but is not limited to the following requirements:

- (1) Food of sufficient quantity and quality to allow for normal growth or maintenance of body weight;
- (2) Open or adequate access to water in sufficient quantity and quality to satisfy the animal's needs;
- (3) Access to protection from wind, rain, or sun; and

- (4) An area of confinement that has adequate space necessary for the health of the animal and is kept reasonably clean and free from excess waste or other contaminants that could affect the animal's health."

Section 711-1100, Hawaii Revised Statutes, defines "pet animal" as follows:

"Pet animal" means a dog, cat, domesticated rabbit, guinea pig, domesticated pig, or caged birds (passeriformes, piciformes, and psittaciformes only) so long as not bred for consumption."

The definition of "necessary sustenance" is silent as to *how long*--whether four hours or ten years--a pet animal may be confined in a cage; how the type of pet animal--whether dog, cat, rabbit, guinea pig, pig, or bird--bears on the acceptable manner and duration of confinement in a cage; or how the duration of confinement affects the adequacy of "space necessary for the health of the animal."

Testimony in support of this measure described an individual who has been "hoarding animals in an inhumane manner on a City sidewalk/grassy area" for years, confining cats, kittens and other animals in small carriers, traps, shopping carts and cages 24 hours a day, 7 days a week, never letting them out. This bill was introduced to address gaps in the law because, according to supporters, the response of the humane society to which complaints about this individual's treatment of animals were directed was, in effect, that "they are unable to take action on the confinement of the cats because there is no law on the books"; they "will not act if an animal appears to be healthy"; and they "[do] not believe the existing statute allows them to confiscate the abused animals."

Testimony in opposition cited unintended consequences were this measure enacted in its present form: the prohibition against confinement of a "pet animal" on "public property" for "more than four hours" would apply to the Honolulu Zoo, the State Quarantine Facility, the Hawaiian, Maui, and Kona Humane Societies, and others, including caretakers who trap, neuter and return feral cats; enforcement by "an organization formed for the prevention of cruelty to animals" could result in a "botched arrest"; confiscation of animals without due process is unconstitutional; and prosecution might be fruitless because of mental health issues.

Several testifiers proposed that a task force be convened to define and discuss "minimum standards of pet keeping" that would not only meet the needs of the community, but would consider the unique differences among the counties with regard to enforcement capabilities. Your Committee endorses this approach.

Your Committee notes that the Supplemental Commentary on section 711-1109 to 1110, Hawaii Revised Statutes, provides, in part:

"Act 173, Session Laws 1998, amended §711-1109 to provide that depriving pet animals of necessary sustenance constitutes the crime of cruelty to animals. The legislature noted that the statute identified only those acts which were the most heinous and extreme, such as beating, mutilation, poisoning, starvation, and torture. However, on a daily basis, other less overt acts such as daily neglect also resulted in the inhumane treatment of animals. Thus, the legislature agreed that pet animals deserved a minimum level of care including adequate food, water, and shelter. Senate Standing Committee Report No. 87."

Your Committee finds it timely and appropriate to revisit our law's treatment of these "less overt acts" of animal cruelty.

At the time of public decision-making on this measure, S.B. No. 1222, Relating to the Humane Treatment of Pet Animals, your Committee deferred three other measures that proposed penalties for inhumane forms of restraint and confinement of animals: S.B. No. 30, S.D. 1 (2009) Relating to Animals, S.B. No. 488 (2009), Relating to Animal Cruelty, and S.B. No. 1188 (2009), Relating to Animals. Each proposed new misdemeanor offenses prohibiting, with exceptions, various forms of restraint or confinement, including tethering, fastening, chaining, tying, kenneling or caging.

S.B. No. 30, S.D. 1 proposed a new misdemeanor offense of dog tethering applicable, with exceptions, to a person who tethers, fastens, chains, ties or otherwise restrains a dog to a dog house, tree, fence or other stationary object.

S.B. No. 488 proposed a new subsection in section 711-1109, Hawaii Revised Statutes, animal cruelty in the second degree, applicable, with exceptions, to a person who tethers, fastens, chains, ties or otherwise restrains a companion animal for longer than a reasonable period of time to complete a temporary task, or, for any amount of time in which the tether, fastener, chain, tie or other restraint causes actual harm; or in a manner that endangers the animal's health, safety or well-being or inflicts emotional distress upon the animal.

S.B. No. 1188 proposed three new subsections in section 711-1109, Hawaii Revised Statutes, applicable, with exceptions, to a person who: tethers, fastens, chains, ties or otherwise restrains a dog or cat for an unreasonable period of time or in a manner that unreasonably limits movement; tethers, fastens, chains, ties, restrains, kennels or cages a dog or cat in any manner that exposes the animal to unsafe conditions; or tethers, fastens, chains, ties, restrains, kennels or cages a dog or cat in any manner that causes exposure without shelter during periods of hazardous weather.

With regard to dog tethering, your Committee concurs with the position of the Committee on Water, Land, Agriculture, and Hawaiian Affairs set forth in Stand. Com. Rep. No. 15 on S.B. No. 30, S.D. 1 (2009):

"Under present law, dogs may be tethered for twenty-four hours a day, seven days a week to a stationary object as long as the tether is at least six feet long. Continuously tethered dogs become lonely, bored, territorial, and aggressive. Researchers have found that tethered dogs are nearly three times more likely to bite and over five times more likely to bite children.

Additionally, a tether can become tangled around or hooked on the dog's shelter structure or other objects, further restricting the dog's movement and potentially causing injury. Dogs are pack animals and are naturally social. Tethered dogs live an isolated existence that is contrary to their own instincts, and this lack of socialization is part of what makes tethered dogs more dangerous.

Your Committee has heard from one public citizen who witnessed neighbors who kept two dogs tethered by ropes tied to trees in their front yard. The neighbor had been burglarized, and the dogs were a security measure. When the public citizen called the Hawaiian Humane Society for assistance, the Hawaiian Humane Society informed the public citizen that Hawaii law did not prevent the neighbors from keeping the dogs tethered. The dogs could not interact with each other because the tether was too short, and in



time they grew despondent and died. The public citizen supports this measure for the welfare of dogs, and for the helpless neighbors forced to watch the abuse of animals.

Your Committee, however, recognizes that there are enforcement challenges for the Hawaiian Humane Society and economic hardships imposed by this measure. In light of these issues, your Committee encourages the proponents of the measure to collaborate with other parties to resolve differences in crafting amendments for this measure.”

It is your Committee’s expectation that stakeholders will collaborate to refine and revise the language in this bill during the remainder of the 2009 legislative session. In addition, your Committee notes that an ad hoc Task Force on Humane Restraint and Confinement of Pet Animals will be convened to further discuss these issues in the 2009 interim and requests the ad hoc Task Force to develop comprehensive legislation for the 2010 Regular Session relating to restraint standards for dogs and confinement standards for of pet animals generally, including the definition of “necessary sustenance” under section 711-1100, Hawaii Revised Statutes, as it relates to “area of confinement” as used in paragraph (4) of that definition.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision creating the offense of confinement of a pet animal on public property;
- (2) Adding amendments to section 711-1109, cruelty to animals in the second degree, to:
  - (a) Separate prohibitions in section 711-1109(a), Hawaii Revised Statutes, to distinguish between conduct in directed at “any” animal (“[o]verdrives, overloads, tortures, torments, beats, or starves any animal, or causes the overdriving, overloading, torture, torment, beating, or starving of any animal”) and conduct directed at a “pet” animal (“deprives a pet animal of necessary sustenance or causes such deprivation.”);
  - (b) Add a new subsection that prohibits confinement of a pet animal in a cruel or inhumane manner or for an unreasonable period of time; and
  - (c) Add a new subsection that prohibits, with exceptions, tethering a dog to a stationary object, or restraint with chain or a chain-, choke- or pinch- collar;
- (3) Changing the quantity of dogs and cats deprived of necessary sustenance in the animal hoarding statute to “more than fifteen”;
- (4) Making technical nonsubstantive revisions; and
- (5) Changing the effective date to July 1, 2050 to continue discussions on these matters.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1222, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

#### **SCRep. 591      Judiciary and Government Operations on S.B. No. 763**

The purpose of this measure is to establish a criminal offense of dog fighting, a class C felony, applicable if a person causes, sponsors, arranges, holds, or encourages a fight between dogs for the purpose of financial gain or entertainment.

This measure also repeals the existing law on dogfighting.

Your Committee received several testimonies in support of this measure and one in opposition. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

According to testimony of The Humane Society of the United States, in a national ranking of dogfighting laws in the states and the District of Columbia, Hawaii ranked fiftieth in part because it is only one of two states having no penalties for attending or wagering on an organized dogfight.

Your Committee finds that under current law, an offender would need to be literally caught in the act of conducting a dogfight, which is extremely rare due to the clandestine nature of such activity. Thus, even persons attending a dogfight as spectators face no penalties. Additionally, dogfighting is a fertile forum for illegal gambling.

Your Committee further finds that the injuries inflicted and sustained by dogs participating in dogfights are severe and mortal in many instances, resulting from blood loss, shock, dehydration, exhaustion, or infection from wounds.

Your Committee has amended this measure by:

- (1) Deleting the new statutory enactment relating to the offense of dogfighting;
- (2) Defining “dogfight” as a gathering or exhibition for the purpose of having a fight between one dog and another dog, or having one dog injure another dog; and
- (3) Amending the current law on cruelty to animals by dogfighting to provide for cruelty to animals by fighting dogs. As amended, this measure prohibits a person from:
  - (A) Causing, sponsoring, arranging, or holding a fight between dogs;
  - (B) Wagering on or paying admission to a dogfight, which constitutes a misdemeanor offense;
  - (C) Owning, training, transporting, possessing, breeding, selling, transferring, or equipping any dog for a dogfight;

- (D) Allowing a dogfight to occur on property owned or controlled by the person;
- (E) Allowing any dog intended by the person to be used for a dogfight to be kept, boarded, housed, trained, or transported, on any property owned or controlled by the person;
- (F) Using any means of communication for the promotion of a dogfight; or
- (G) Possessing any device intended to enhance the dog's fighting ability with the intent that the device be used to train or prepare the dog to fight.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 763, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 592            Judiciary and Government Operations on S.B. No. 968**

The purpose of this measure is to add an element to the offense of escape in the second degree to provide for knowingly failing to present oneself to a correctional facility or detention center to serve a term of custody or confinement as ordered by the court.

Your Committee received one testimony in support of and one in opposition to this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure addresses the situation wherein a person is sentenced to incarceration and is allowed a period of time after sentencing to attend to personal matters before appearing at the correctional facility. Currently, in the event the person does not show up to serve the sentence, the only offense for not appearing is a contempt of court.

Your Committee notes the concerns of the Office of the Public Defender that this measure is not necessary since current law covers the situation in the offense of bail jumping in the first degree.

Your Committee has amended this measure by:

- (1) Applying the offense to only a scheduled confinement for felony conviction;
- (2) Changing the effective date to July 1, 2050 to continue the discussions on this matter; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 968, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 593            Judiciary and Government Operations on S.B. No. 350**

The purpose of this measure is justify the use of deadly force in a person's dwelling against an intruder if the intruder uses force against the person.

Your Committee received several testimonies in support of this measure and one in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the use of deadly force by a person while in a dwelling in which the person has a lawful right to be, against an intruder who has no lawful right to be in the dwelling is sometimes necessary. For example, recent incidents have been reported involving death of property owners in home invasions, which may have been avoided if the owner used deadly force to deter the intruder.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 to continue discussions on this matter; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 350, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Taniguchi). Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 594            Ways and Means on S.B. No. 76**

The purpose of this measure is to change the allocation of an amount received by the Department of Taxation in partial payment of an assessment of taxes.

More specifically, this measure changes the allocation by applying the partial payment to interest, penalties, and principal in equal amounts, rather than to the three categories in order of priority.

Your Committee received written testimony in opposition to this measure from one state agency. One private organization submitted comments on this measure.

Your Committee finds that the application of a partial payment to interest, penalties, and principal, in equal amounts, will alleviate the burden on taxpayers who are making these payments. Your Committee believes that the benefit to taxpayers is of particular importance during this economic crisis.

Your Committee amended this measure by:

- (1) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (2) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 76, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 76, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 595            Ways and Means on S.B. No. 199**

The purpose of this measure is to sunset and repeal various tax credits for taxable years beginning after December 31, 2010.

Testimony in support of this measure was submitted by one government agency and one individual. Testimony opposed to this measure was submitted by three government agencies, eighteen private organizations, and seven individuals. Comments on this measure were submitted by one government agency and three private organizations. The written testimony and comments may be reviewed on the Legislature's website.

Your Committee finds that this measure implements the consistent recommendations of the Tax Review Commission to minimize or eliminate all tax credits. Your Committee believes that the current conditions of the economy make the Tax Review Commission's recommendations particularly attractive.

Your Committee has revised this measure substantially without changing its substance. Your Committee has revised the contents of this measure by:

- (1) Setting out the full text of each of the tax credit laws listed in the bill, and applying the Ramseyer format to those sections to indicate that they are being repealed;
- (2) Recasting the language relating to carryovers under a repealed tax credit and legislative enactments of a tax credit, respectively, as new sections being added to chapter 235, Hawaii Revised Statutes, the state income tax law;
- (3) Changing the provisions relating to conflicts in repeal dates, to an uncodified section in the measure;
- (4) Making the language relating to the repeal date of the tax credits the effective date section of the measure; and
- (5) Changing the effective date of this measure to July 1, 2090, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 199, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 199, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Ayes with Reservations, 2 (Chun Oakland, Fukunaga). Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 596            Ways and Means on S.B. No. 292**

The purpose of this measure is to correct a typographical error in the title of section 37-46, Hawaii Revised Statutes, relating to transfers of non-general funds to the general fund.

Your Committee finds that the current downturn in the State's economy has resulted in reduced tax revenues and a budget shortfall. Accordingly, Your Committee finds that it is important to identify sources of funds that may be used to alleviate the current budget crisis.

Your Committee has amended this measure by:

- (1) Replacing the substantive contents with provisions that lapse excess balances from identified special and revolving funds to the general fund; and
- (2) Changing the effective date to July 1, 2050, to facilitate discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 292, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 597 Ways and Means on S.B. No. 404**

The purpose of this measure is to appropriate funds from the emergency and budget reserve fund for various programs, as grants for fiscal year 2009-2010.

Your Committee received comments on this measure from one state department. The comments submitted may be reviewed on the Legislature's website.

Your Committee finds that expenditures from the emergency and budget reserve fund are needed to meet the present economic emergencies in the State. Your Committee believes the moneys are urgently needed to:

- (1) Maintain levels of programs determined to be essential to public health, safety, welfare, and education;
- (2) Provide for counter cyclical economic and employment programs in periods of economic downturn;
- (3) Restore facilities destroyed or damaged or services disrupted by disaster; and
- (4) Meet other emergencies when declared by the governor or determined as urgent by the Legislature.

Your Committee has amended this measure by changing the effective date to July 1, 2070, to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 404, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 598 Ways and Means on S.B. No. 1111**

The purpose of this measure is to increase the transient accommodations tax beginning July 1, 2009, and require any additional revenues collected from the increase to be deposited into the general fund.

Your Committee received testimony in opposition to this measure from two state agencies, two organizations, and eighteen private businesses and individuals. One state agency and one nongovernmental organization offered their comments. Copies of written testimonies and comments are available for review on the Legislature's website.

Your Committee finds that the State is exploring different avenues for increasing revenues to replace record shortfalls in the State budget. The Legislature is considering many different measures toward this end.

Your Committee also finds that while everyone in Hawaii is feeling the impact of the sluggish economy, the State needs to make tough decisions to increase revenues. Your Committee believes that, while this measure imposes a tax increase, it will help the State maintain services with only a minimal direct impact on Hawaii residents.

Your Committee has amended this measure by changing the effective date to July 1, 2059, to facilitate further discussion on this issue and technical and nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1111, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 599 Ways and Means on S.B. No. 881**

The purpose of this measure is to change the repeal date of the law on voluntary employees' beneficiary association trusts from July 1, 2010 to July 1, 2009.

This measure also repeals the requirement that the Hawaii Employer-Union Health Benefits Trust Fund conduct a certified independent financial audit concerning retirees, employees, and employee-beneficiaries who have remained with the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee received testimony from four government agencies (including two testifiers from one agency), and one individual in support. Testimony in opposition was submitted by one organization and six individuals.

Copies of the testimony may be reviewed on the Legislature's website.

Your Committee finds that the intent of a voluntary employees' beneficiary association trust is to provide a cost effective alternative to participation in the Hawaii Employer-Union Health Benefits Trust Fund for employees of a particular bargaining unit. Your Committee believes that the voluntary employees' beneficiary association trusts can provide an effective means of containing healthcare costs for its members, but must also stand on their own as independent entities.

Your Committee has amended this measure by restoring the sunset date of the voluntary employees' beneficiary association back to July 1, 2010, and include a new provision that requires, upon the insolvency of a voluntary employees' beneficiary association trust, the trust and the employee organization that established the trust to assume all liabilities and indemnify the State.

Your Committee also made a technical amendment for consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 881, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 600 Ways and Means on S.B. No. 1626**

The purpose of this measure is to defer for one fiscal year the State's payment to the counties of the county surcharge on the state general excise tax and state use tax.

This measure also extends for one calendar year the repeal date of county ordinances that levy the county surcharge on the state general excise tax and state use tax.

Your Committee finds that the State has transferred to the City and County of Honolulu the county's balance of the revenues derived from the county surcharge on the state general excise tax and the state use tax. Your Committee also finds that the funds transferred to the City and County of Honolulu are largely unencumbered and will not be needed by the City and County of Honolulu in the immediately foreseeable future. Your Committee believes that these moneys will be better utilized if applied to the immediate and critical financial needs of the State, of which the City and County of Honolulu is a part. It is not the intent of your Committee to jeopardize in any way federal funding for the rail project.

Your Committee received written testimony from five private organizations, and two concerned citizens in opposition to this bill. One governmental official and one private organization submitted comments.

The written testimonies may be reviewed on the Legislature's website.

Your Committee has amended this measure as follows:

- (1) Deleting the provisions that defer for one fiscal year the State's payment to the counties of the county surcharge on the state general excise tax and state use tax;
- (2) Extending for two calendar years the repeal date of county ordinances that levy the county surcharge on the state general excise tax and the state use tax;
- (3) By providing for the State, in coordination with the City and County of Honolulu, to transfer to the State the \$150,000,000 in county surcharge tax revenues, but only transferring these funds when the State places into escrow the proceeds from the issuance of general obligation bonds to be issued for the purpose of repaying the City and County of Honolulu;
- (4) Authorizing the Director of Finance to issue \$250,000,000 in general obligation bonds for the purpose of replacing the \$150,000,000 to the City and County of Honolulu for returning the county surcharge tax revenues to the State, but conditioning the bond issuance upon receiving affirmative advice from the State's bond counsel on the suitability of issuing bonds for that purpose.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1626, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1626, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Ayes with Reservations, 9 (English, Fukunaga, Galuteria, Hee, Hooser, Kidani, Kim, Tokuda, Tsutsui). Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 601 (Joint) Judiciary and Government Operations, Labor and Ways and Means on S.B. No. 21**

The purpose of this measure is to clarify the law with respect to jury service.

Upon further consideration, your Committees have amended this measure by deleting its contents and inserting provisions of a proposed Senate Draft 1 which was posted on the Legislature's website. As amended, this measure provides temporary exemptions from statutes relating to procurement, rulemaking, and employment in order to allow the State to expedite the implementation or expansion of programs, services, and benefits authorized by the American Recovery and Reinvestment Act of 2009.

Your Committees received testimony in support of the amended measure from the Governor's Office, State Attorney General, State Procurement Office, Department of Taxation, Department of Budget and Finance, Department of Transportation, Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, Department of Health, Department of Human Resources Development, Department of Human Services, Laborers' International Union of North America, Subcontractors Association of Hawaii, Hawaii Disability Rights Center, and one individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.

The American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, envisioned by President Obama as money going "out the door immediately," will require expedited procedures to allow the State to take full advantage of funding from the federal stimulus plan to address, at the earliest practicable time, the programs, services, and benefits needed by the people of Hawaii.

Your Committees find that in these times of economic turmoil, this measure would be instrumental in bringing, as soon as possible, additional financial assistance and other social services to Hawaii residents who have been affected by the current economic circumstances as well as improving and expanding benefits to the neediest individuals and families in Hawaii.

Your Committees are concerned about the history of procurement problems in the executive departments and agencies. Time and time again, information has come to the attention of the Legislature about varying degrees and types of noncompliance with the Hawaii Public Procurement Code.

Your Committees have amended the proposed measure by:

- (1) Deleting, with respect to procurements under this measure, the exemption from section 103-55.5, Hawaii Revised Statutes, relating to wages and hours of employees on public works contracts and the exemption from civil service requirements;
- (2) Adding language for administrative sanctions for fraud, misrepresentation, or abuse in the expenditure of public moneys, and defining those terms; and providing that criminal penalties, if any, still apply;
- (3) Repealing the measure on June 30, 2009; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 21, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 21, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 14. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 4 (Bunda, Hee, Kokubun, Hemmings).

**SCRep. 602            Judiciary and Government Operations on S.B. No. 846**

The purpose of this measure is to establish a statute of limitations of five years for the filing of habeas corpus actions challenging a judgment or other matters related to custody of a defendant, and establishes limitations on the basis for successive claims.

Your Committee received testimony in support of this measure from two government entities. Testimony in opposition was received from two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In addition to a direct appeal to the Intermediate Court of Appeals and the Hawaii Supreme Court, and the filing of a writ of habeas corpus with the United States District Court, individuals convicted of crimes in state courts may also challenge their convictions, sentences, or other matters related to their custody by filing petitions in state courts for post-conviction relief pursuant to Rule 40 of the Hawaii Rules of Penal Procedure. Currently, there is no statute of limitations applicable to petitions for post-conviction relief.

Under this measure, a petition for post-conviction relief must be filed within five years of the latest of the date on which: (1) the judgment became final by conclusion of direct review or expiration of time for seeking review; (2) an impediment to filing a complaint created by government action in violation of the U.S. or Hawai'i constitution was removed; (3) a newly created constitutional rule was recognized and made retroactively applicable to cases on collateral review by the U.S. or Hawai'i Supreme Court; or (4) the factual predicate of the claims presented could have been discovered through due diligence, but only if the newly discovered evidence would be sufficient to establish that no reasonable fact finder would have found the applicant guilty of the offense.

This measure also requires dismissal of a claim in a second or successive complaint unless the claim relies on a previously unavailable new rule of constitutional law or on newly discovered evidence that could not previously have been discovered.

Because a petition for post-conviction relief is the only method of challenging judgment and custody that does not have a statute of limitation, some defendants repeatedly use this method to challenge convictions and custody long after the events at issue. Your Committee finds that establishment of a time limit promotes the finality of judgments and sentences while permitting a defendant a reasonable period of time to discover, prepare, and file an action to challenge a conviction and custody.

Some time ago, the Judiciary's Permanent Committee on Rules of Penal Procedure and Circuit Court Criminal Rules proposed a five year limitation on a petition for post-conviction relief under Rule 40 of the Hawaii Rules of Penal Procedure. The Hawaii Supreme Court rejected the proposal because of a conflict with the Legislature's authority with regard to habeas corpus. On reflection and on consideration of testimony submitted in opposition to the proposed five-year limitation period, your Committee finds that a fifteen-year limitation should be adopted.

Your Committee has amended this measure by:

- (1) Changing the five year limit to fifteen years in which to file a complaint;
- (2) Changing the effective date to July 1, 2050, to continue the discussions on this matter; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 846, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 846, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Gabbard, Takamine).

**SCRep. 603            Public Safety and Military Affairs on S.B. No. 571**

The purpose of this measure is to establish a memorial to pay tribute the veterans of the Persian Gulf War and Operation Desert Storm.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the memorial will pay tribute to and recognize and honor those veterans who sacrificed their lives to fight for our freedom. This measure requires the Department of Accounting and General Services and the Department of Defense to

work together in submitting a report to the Legislature by January 1, 2010, that details their recommendations on the plans for the memorial and its placement within the Capitol District.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 571 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Gabbard, Galuteria).

**SCRep. 604            Ways and Means on S.B. No. 659**

The purpose of this measure is to amend the disclosure requirements for recipients of monetary awards by the State.

More specifically, this measure requires the Department of Budget and Finance, in collaboration with the Department of Accounting and General Services, to establish, implement, and maintain a website that includes the following information for each award by the State:

- (1) The name of the entity receiving the award;
- (2) The amount of the award;
- (3) Information on the award, including transaction type, funding agency, program source, and an award title that describes the purpose for each funding action;
- (4) The full address of the entity receiving the award and the primary location of performance under the award;
- (5) A unique identifier of the entity receiving the award and the parent entity of the recipient, if the entity is owned by another entity; and
- (6) Any other relevant information specified by the Department of Budget and Finance.

Your Committee received comments on this measure from two government agencies and two individuals. The written comments may be reviewed on the Legislature's website.

Your Committee finds that it is in the public interest for taxpayers to have access to information on how state funds are spent. Your Committee believes that this measure will provide greater accessibility to information about monetary awards from the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 659 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 605            Judiciary and Government Operations on S.B. No. 1152**

The purpose of this measure is to impose a 100-year moratorium on certain building or development projects that are on class A or B agricultural lands and agricultural district lands in senatorial districts 22 and 23, which comprise agricultural lands located in the area bounded by Wahiawa, Kaena Point, Kahuku, and Kaneohe on the north shore and windward coast of Oahu.

This measure applies only to projects for which general planning has not already commenced.

Your Committee finds that between 1969 and 2006, the amount of land zoned for agriculture declined by over 25,000 acres statewide. On Oahu alone, land under cultivation decreased by 56 per cent between 1982 and 2005. The moratorium imposed by this measure will prevent development from depleting Oahu's most productive agricultural lands, while also ensuring the availability of water for agriculture and the continued and increased production of local produce. These protections and benefits are critical to the viability of agriculture in the State, as well as the State's economy and sustainability.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1152 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 606            Judiciary and Government Operations on S.B. No. 1147**

The purpose of this measure is to clarify that the Governor has the authority to declare a disaster emergency.

This measure also requires State Civil Defense to report information on the disaster to the Governor, Legislature, and the mayor of each county after the Governor has declared a disaster emergency.

Your Committee finds that clarifying the Governor's power to declare a disaster emergency will help to expedite necessary actions to mitigate any damages or losses. Your Committee further finds that requiring the Vice-Director of Civil Defense to provide certain governmental leaders with preliminary and follow-up reports on the disaster and the effectiveness of the State's response thereto will assist those leaders in assessing any losses from the disaster and also help with preparations for any future disaster emergencies.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1147, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 607      Ways and Means on S.B. No. 32**

The purpose of this measure is to make permanent the general excise tax exemption on gross income or proceeds from the sale of alcohol fuels.

Your Committee received one written comment on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that section 2 of Act 209, Session Laws of Hawaii 2007 exempted gross income or proceeds from the sales of alcohol fuels from the general excise tax. The Act also required producers, wholesalers, and retailers of alcohol fuels to pass on their savings from the tax exemption to consumers. Since all motor vehicle fuel sold in the State is required to have a ten per cent ethanol content, the tax exemption amounted to a small reduction in the price of transportation fuels at a time when consumers were facing record fuel prices. Section 2 of Act 209 will sunset on July 1, 2009, at which time, the gross income or proceeds from the sales of alcohol fuels will no longer be exempt from the general excise tax.

Your Committee recognizes that the repeal of the general excise tax exemption on alcohol fuels evokes two compelling points of view. On one hand, repealing the exemption will prevent additional revenue loss for the State at a time when overall tax revenues are decreasing. It has also been suggested that a higher price for motor vehicle fuels will help steer residents toward more energy efficient choices, such as alternative energy vehicles and fuel conservation. On the other hand, despite recent declines in fuel prices from 2008 record peaks, Hawaii residents still pay some of the highest transportation fuel prices in the nation, and repealing the tax exemption would only add to those already high prices. Your Committee believes that both positions have merit and that this issue deserves further serious discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 32, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 608      Ways and Means on S.B. No. 39**

The purpose of this measure is to require the University of Hawaii, beginning January 1, 2010, to report to the Legislature on a semi-annual basis regarding the moneys in the Hawaii Cancer Research Special Fund.

The measure also require the report to contain information on deposits, expenditures, and other transactions.

Your Committee received two written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that this measure will promote transparency in the financial accounting relating to the special fund and will assist the Cancer Research Center in providing better cancer care to improve the health and well-being of the people of Hawaii. The information that this measure would provide would help the Legislature to ensure that the Cancer Research Center is making progress in meeting its recruitment and expansion goals. Your Committee believes these reports will assure the commitment of funds in the Hawaii Cancer Research Special Fund and prevent the use of moneys in this special fund for other purposes. Upon completion, the Cancer Research Center of Hawaii will not only save lives, but will also be an economic driver of technology-based research and development projects.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 39 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 609      Ways and Means on S.B. No. 111**

The purpose of this measure is to establish the payment priority of DNA analysis fees in relation to the payment of other fees or fines that a court may assess against a defendant.

Your Committee received one written comment on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that current law requires certain defendants convicted of a felony offense to pay \$500 or the actual cost of a DNA analysis, whichever is less. However, the law is unclear as to the payment priority of DNA analysis fees in relation to other fees and fines assessed by the courts. This measure would reduce confusion and clarify the issue by establishing that DNA analysis fees are to be third in priority of payment, after restitution and crime victim compensation fees.

Your Committee finds that DNA testing holds tremendous potential to promote both the speed and accuracy by which the judicial system can handle the high volume of criminal cases awaiting disposition. As such, your Committee agrees that providing this level of priority for fees for DNA analysis is both reasonable and appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 111 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).



**SCRep. 610 Ways and Means on S.B. No. 161**

The purpose of this measure is to clarify the law with respect to salary ranges for teachers in the Department of Education.

Your Committee received one comment on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that, under current law, teacher salary schedules are negotiated pursuant to section 89-9, Hawaii Revised Statutes. Teacher salary ranges, however, were established in section 302A-622, Hawaii Revised Statutes, in direct conflict with section 89-9, Hawaii Revised Statutes. This measure repeals section 302A-622, Hawaii Revised Statutes, to remove any ambiguity with respect to teacher salary schedules.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 161 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 611 Ways and Means on S.B. No. 163**

The purpose of this measure is to repeal the district business and fiscal officer positions within the Department of Education.

Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that beginning in 2007, the Legislature has provided for one complex area business manager position for each of the Department's fifteen complex areas. The business managers provide fiscal services and support to each complex area, including the schools and the complex area superintendent. The complex area business managers, administrative services assistants, and personnel in the school facilities and support services branch of the Department provide all the services in the statute that this measure repeals. As a result, the business and fiscal officer positions established in section 302A-604.5, Hawaii Revised Statutes, are no longer necessary and their repeal would not affect the Department's operations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 163 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 612 Ways and Means on S.B. No. 164**

The purpose of this measure is to expand the uses of the Department of Education's federal grants search, development, and application revolving fund to include the monitoring and auditing of federal grants.

The measure also changes the name of the fund to the federal grants revolving fund to reflect the broader usage of the fund.

Your Committee received two comments on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that the name of the federal grants search, development, and application revolving fund restricts the uses of the fund. By changing the name and expanding the uses of the fund, this measure allows the Department of Education to monitor and audit the federal grant application process to ultimately qualify for additional federal grants. Your Committee believes that this measure will assist the Department to comply with federal grant requirements and provide greater oversight on grant implementation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 164 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 613 Ways and Means on S.B. No. 546**

The purpose of this measure is to establish and administer an electronic monitoring pilot program for committed offenders.

Your Committee received three written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that electronic monitoring allows eligible nonviolent offenders to live and work in the community as they approach the end of their incarceration. Electronic monitoring is a cost-effective way to monitor offenders. It is less expensive than incarceration, may reduce the likelihood of recidivism and the costs attendant thereto, and affords a means to protect the public during the reintegration of offenders back into the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 546, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 614      Ways and Means on S.B. No. 947**

The purpose of this measure is to change from calendar quarter to calendar year the effective date at which two related employers must recalculate their unemployment insurance contribution rates whenever one employer transfers its organization, trade, or business to the other, and both employers are under substantially common ownership, management, or control.

This measure also corrects a cross reference to the Internal Revenue Code.

Your Committee believes that this measure will conform Hawaii's unemployment insurance law to federal law to provide uniform application of unemployment insurance rate calculations. Your Committee finds that under the present law, the discrepancy in the effective date for rate re-calculations causes multiple calculations of rates within a year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 615      Ways and Means on S.B. No. 1299**

The purpose of this measure is to include businesses engaged in advanced flight simulator training for pilots, dispatchers, mechanics, or air traffic controllers as qualified businesses under the state enterprise zone law.

Your Committee received two written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that designating advanced flight simulator training as a qualified business for the state enterprise zone program will not only attract investment and generate revenues for these start-up businesses, but will also support economically distressed communities, especially during the current economic recession.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Tsutsui).

**SCRep. 616      Ways and Means on S.B. No. 1308**

The purpose of this measure is to transfer the functions and duties of the Hawaii Teacher Standards Board to the Board of Education.

Your Committee received six written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that complaints that the Hawaii Teacher Standards Board acts autonomously and has no oversight by, nor is accountable to, the Department of Education, led the Legislature to request the Auditor to conduct a "Study on the Appropriate Accountability Structure of the Hawaii Teacher Standards Board". The Auditor's preliminary report found that the creation of an independent body composed of teachers employed by the Department of Education with a mission to provide qualified teachers, promote professionalism and teaching excellence, to build public confidence in teachers and provide more accountability to the public, has not yielded sufficient benefits to the teachers and students it was meant to serve to warrant its continuation. In anticipation of the Auditor's final report, your Committee has retained the measure's June 30, 2040 effective date to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1308, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Ayes with Reservations, 4 (Fukunaga, Hee, Kidani, Tokuda). Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 617      Commerce and Consumer Protection on S.B. No. 555**

The purpose of this measure is to direct the Department of Business, Economic Development, and Tourism to develop rules for the energy efficiency of new appliances sold or offered for sale in Hawaii.

Your Committee received testimony in support of this measure from the Sierra Club Hawai'i Chapter and Blue Planet Foundation. Testimony in opposition to this measure was received from the Department of Business and Economic Development. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that California, a leader in national energy policy, has realized substantial savings in terms of dollars and energy use since implementing strict appliance energy efficiency standards. Your Committee further finds that Hawaii would realize similar benefits from similar standards. Your Committee notes that membership in the existing national collaborative organizations, the Multi-State Compliance Standards Collaborative and The Appliance Standards Awareness Project, will assist the State in adopting energy efficiency standards by providing resources, standard-setting guidelines, and model legislation.

Your Committee finds that this measure requires the Department of Business, Economic Development, and Tourism to expend resources that are not currently available to it. Further, your Committee finds that, pursuant to Act 162, Session Laws of Hawaii 2006, the Public Utilities Commission has already established a Public Benefits Fund and appointed a fund administrator to carry out functions substantially similar to those contained in this measure, including the establishment of appliance efficiency standards. Your

Committee finds that the State's interest in government efficiency is served by allowing the Public Benefits Fund Administrator to carry out its existing function. Your Committee notes that the Department of Business, Economic Development, and Tourism nevertheless has a separate administrative role in ensuring that products sold in the State comply with standards established by the Public Benefits Fund Administrator.

Your Committee has amended this measure by:

- (1) Requiring the Department of Business, Economic Development, and Tourism to investigate the advantages and disadvantages of joining the Multi-State Appliance Standard Collaborative, the Appliance Standards Awareness Project, or both, for the purpose of gathering information and receiving assistance with implementing the provisions of this measure;
- (2) Requiring the Department of Business, Economic Development, and Tourism to report the results of its investigation and the status of its collaborative outreach efforts to the Legislature no later than twenty days prior to the convening of the 2011 Regular Session;
- (3) Delaying the date by which the Department of Business, Economic Development, and Tourism is required to enact administrative rules to implement this measure to January 1, 2013 in order to allow the Public Benefits Fund Administrator to develop a full program for consumer efficiency that includes appliance initiative and programs;
- (4) Delaying the date after which the sale or offer for sale of noncompliant appliances is prohibited to January 1, 2015;
- (5) Delaying the effective date of this measure to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 555, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 555, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 618      Transportation, International and Intergovernmental Affairs on S.B. No. 241**

The purpose of this measure is to require "cool roofs" on buildings as a prerequisite to obtain a building permit for the construction of a new residential or commercial structure, after January 1, 2011.

Your Committee received testimony in support of this measure from Roofing Contractors Association of Hawaii and one individual. Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism; Hawaii Developers' Council; Building Industry Association of Hawaii; the Hawaii Association of REALTORS; and The Chamber of Commerce of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Under this measure, "cool roof" includes a roof that uses any variety of roofing material that has a high solar reflectance and high thermal emittance, carries the United States Environmental Protection Agency's ENERGY STAR label, and meets the standards of the United States Environmental Protection Agency's ENERGY STAR system for low sloped roofs or steep sloped roofs, as applicable.

Your Committee finds that the need to promote energy conservation necessitates that the heat absorption effect from roofs be reduced in order to reduce the cost of cooling homes.

Your Committee has amended this measure by:

- (1) Expanding the definition of "cool roof";
- (2) Allowing a radiant barrier to be installed in lieu of a cool roof if a cool roof version is unavailable in a specific roofing material;
- (3) Deleting the exemption from cool roof requirements for photovoltaic energy systems;
- (4) Clarifying that solar energy systems do not require a variance or an exemption from the cool roof requirements;
- (5) Providing that this measure does not apply to new residential structures that do not utilize heating or cooling systems that require additional energy generation; and
- (6) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 241, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 241, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 619      Transportation, International and Intergovernmental Affairs on S.B. No. 552**

The purpose of this measure is to establish the procurement policy for all agencies purchasing or leasing motor vehicles to obtain energy-efficient vehicles.

Your Committee received testimony in support from the Sierra Club. Comments were received from the Department of Business, Economic Development, and Tourism. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure provides that, beginning January 1, 2010, all light-duty vehicles procured by or for any agency shall have an estimated fuel economy of at least eighteen miles per gallon under standards published by the United States Environmental Protection Agency, except under specified circumstances of usage of the vehicle such as law enforcement and emergency vehicles.

Your Committee has amended this measure on the recommendation of the Department of Business, Economic Development, and Tourism to replace the contents with a statutory amendment to establish a procurement policy for all agencies to obtain light duty motor vehicles that reduce dependency on petroleum-based fuels, including electric or plug-in hybrid electric vehicles, hydrogen or fuel cell vehicles, other alternative fuel vehicles, and vehicles identified by the United State Environmental Protection Agency as being top performance for fuel economy by class.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 552, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 552, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 620 (Majority) Judiciary and Government Operations on S.B. No. 604**

The purpose of this measure is to require all hospitals and public facilities to provide victims of sexual assault with information on emergency contraception and immediate access to emergency contraception when requested.

Your Committee finds that information on emergency contraception is an important part of treatment and counseling for victims of sexual assault. Access to information regarding all of the available medical options and treatments will allow sexual assault survivors to make an informed decision regarding their immediate treatment and may prevent further trauma from an unintended pregnancy.

Your Committee further finds that the use of emergency contraception is approved by the federal Food and Drug Administration and is a safe and effective means of treating victims of sexual assault.

Some members of your Committee requested a religious exemption for some hospitals and would like to continue the discussion on this issue.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 604, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 604, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Gabbard, Slom). Excused, 1 (Bunda).

**SCRep. 621 Judiciary and Government Operations on S.B. No. 1183**

The purpose of this measure is to conform the State's laws to the Americans with Disabilities Act Amendments Act of 2008, P.L. 110-325, by broadening the types of disabilities that are protected against employment discrimination.

On September 25, 2008, President George W. Bush signed into law the ADA Amendments Act of 2008, P.L. 110-325 ("ADAAA"). In the ADAAA, Congress found that several United States Supreme Court decisions interpreted the definition of disability inconsistently with legislative intent. The ADAAA clarified laws relating to employment disability, broadened the definition of "disability" and resulted in certain federal law protections being stronger than corresponding protections currently provided under Hawaii state law.

Your Committee has amended this measure on the recommendation of the Hawaii Civil Rights Commission to require the Hawaii Civil Rights Commission to define certain terms contained in this measure, in lieu of doing so by statutory amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1183, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 622 Judiciary and Government Operations on S.B. No. 449**

The purpose of this measure is prohibit records relating to prescription information containing patient-identifiable and prescriber-identifiable data from being licensed, transferred, used, or sold by any pharmacy benefits manager, insurance company, electronic transmission intermediary, state licensed pharmacy, state licensed physician or osteopathic physician, or other similar entity, for commercial purposes, except as specifically provided.

Your Committee finds that it is essential to protect private patient medical information from sale, which is usually a commercial profit-making activity, to pharmaceutical companies.

Your Committee has amended this measure by:

- (1) Allowing third party insurance providers to access prescription information records;
- (2) Deleting references to the Regulated Industries Complaints Office which leaves references to the Department of Commerce and Consumer Affairs; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 449, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 449, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 623 (Majority) Judiciary and Government Operations on S.B. No. 1621**

The purpose of this measure is to facilitate the right to organize for the purpose of collective bargaining as recognized in Section 1 of Article XIII of the Hawaii State Constitution by:

- (1) Setting the procedures for establishing an initial agreement for collective bargaining following certification or recognition of a labor organization as a representative;
- (2) Allowing for the use of signed valid authorizations designating an individual or labor organization designated in the petition for representation, so that no election is to be directed by the Hawaii Labor Relations Board;
- (3) Clarifying that a duly certified labor organization that represents employees for the purpose of collective bargaining has a privilege to refuse to disclose and to prevent any other person from disclosing confidential information and communications made for the purpose of facilitating the rendition of union representational services to employees through the collective bargaining process;
- (4) Allowing a labor organization that provides representational services related to collective bargaining to bring a civil action in circuit court for nonpayment of union dues by members and agency fees by persons covered by a collective bargaining agreement;
- (5) Establishing that it is a complete defense to prosecution for trespass and offenses against public order, where a person or persons are engaged in a labor dispute to publicize the existence of the dispute on the pathways, sidewalks, and areas adjacent to the entry ways or exits used by customers or employees, or both, to gain access to the establishment gained in the dispute; and
- (6) Making it a violation for an employer to wilfully or repeatedly commit unfair or prohibited practices interfering with an employee's statutory rights or discriminating against an employee for exercising protected conduct.

Your Committee finds that this measure is consistent with and in furtherance of the right to organize for the purpose of collective bargaining as established under Article XIII of the Hawaii State Constitution.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1621, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1621, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Ayes with Reservations, 1 (Gabbard). Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 624 Judiciary and Government Operations on S.B. No. 969**

The purpose of this measure is to permit a conditional search of any person or vehicle entering upon the grounds of a correctional or detention facility.

Under this measure, the entry of any person or vehicle onto state correctional or detention facility grounds may be conditioned upon a search for weapons or contraband, if the correctional staff gives the person notice and an opportunity to decline a conditional search prior to conducting the search. This measure also requires correctional staff to have probable cause of contraband on a person prior to requiring a strip search of that person.

Your Committee finds that it is in the best interest of public safety that any person or vehicle entering upon the grounds of a correctional or detention facility be subject to a conditional search.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 969, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 625 (Majority) Judiciary and Government Operations on S.B. No. 478**

The purpose of this measure is to revise and clarify provisions relating to disaster relief laws and the Governor's powers in responding to disaster relief efforts during a civil defense emergency.

Your Committee finds that clarifying and limiting the Governor's powers to provide disaster relief during times of natural or manmade disasters or civil defense emergencies will create a more accountable and transparent government. Specifically, requiring the Governor to obtain legislative authorization to continue to provide disaster relief beyond the adjournment sine die of the next occurring regular session will provide legislative oversight in the execution of the disaster relief laws in this State. Your Committee

believes that this measure is necessary to ensure that emergency powers of the executive branch are not abused or used to circumvent legislative authority.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 478, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 478, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 626      Judiciary and Government Operations on S.B. No. 898**

The purpose of this measure is to exempt any care home, school, or hotel from civil liability that would result in the payment of compensation to persons injured when those facilities are used to shelter-in-place during an officially designated emergency.

Your Committee finds that providing this exemption from civil liability will promote an increase in the number of private entities that choose to be designated as a shelter-in-place facility during an officially designated emergency.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 898, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 627      Judiciary and Government Operations on S.B. No. 1148**

The purpose of this measure is to clarify various provisions of the comprehensive offender reentry system, including the requirement of written reentry plans.

This measure also:

- (1) Continues the quarterly rotation system for Hawaii inmates in out-of-state prisons and establishes a limit on the maximum number of Hawaii inmates housed in out-of-state prisons, which shall be fulfilled by January 1, 2010;
- (2) Requires Department of Public Safety to promote research regarding children with incarcerated parents;
- (3) Establishes a Reentry Commission under the Department of Public Safety, effective on January 1, 2010;
- (4) Sunsets the Legislative Oversight Committee established to oversee the Department of Public Safety on July 1, 2009; and
- (5) Specifies that by December 31, 2010, the maximum number of Hawaii inmates who are housed in out-of-state prisons shall not exceed 2,000.

Your Committee finds that a comprehensive offender reentry system lowers the State's cost of incarcerating an offender and decreases the offender's rate of recidivism upon their release. Your Committee also finds that requiring a comprehensive offender reentry plan be detailed in writing increases the likelihood of success for the offender to take a meaningful role in society upon release.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1148, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1148, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 628      (Majority) Judiciary and Government Operations on S.B. No. 1054**

The purpose of this measure is to prohibit provisional licensees under the age of eighteen and holders of a temporary instruction permit who are age fifteen years and six months or older but under the age of eighteen, from engaging in various tasks not associated with operating a motor vehicle while operating a motor vehicle.

This measure applies to using a wireless telephone, including a wireless telephone equipped with a hands-free device, or any other electronic device including, but not limited to, portable video games, portable DVD players, text messengers, Palms, Treos, or Blackberries; consuming food or beverages; engaging in personal grooming that requires the use of a comb, brush, or other personal grooming device; or attempting to reach for any other object or device not related to or necessary for driving.

Your Committee finds that certain common driver distractions contribute to inattention to driving, which may result in catastrophic consequences. The problem is exacerbated among young and inexperienced drivers who are the subject of this measure.

A *Honolulu Advertiser* article of February 26, 2009, stated that a recent report of the National Highway Traffic Safety Administration and the Virginia Tech Transportation Institute said that nearly eighty per cent of crashes and sixty-five per cent of near-crashes involved some form of driver inattention within three seconds before the event. The primary causes of driver inattention were distracting activities, such as cell phone use. The article also reported a separate 2005 study by the Insurance Institute for Highway Safety that found drivers using phones are four times as likely to get into crashes serious enough to injure themselves.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1054, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1054, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 629      Judiciary and Government Operations on S.B. No. 1056**

The purpose of this measure is to:

- (1) Increase the penalty from \$11,000 to \$25,000 for employers who violate the commercial driver licensing law regarding permitting a licensed commercial driver to drive during the period in which the driver or the vehicle is subject to an out-of-service order;
- (2) Clarify that a person is prohibited from driving a commercial motor vehicle in violation of an out-of-service order;
- (3) Provide a penalty of not more than \$200 for any person convicted or found in violation of driving a commercial vehicle while having any alcohol in the person's body, and a penalty of not more than \$500 for any person convicted or found in violation of having 0.4 per cent blood alcohol; and
- (4) Replace the existing monetary penalty range of not less than \$1,100 nor more than \$2,750 for violating an out-of-service order with \$4,000 for a first conviction and not less than \$5,000 nor more than \$7,500 for a second or subsequent conviction.

Your Committee finds that this measure is necessary in order to comply with federal regulations regarding commercial driver licensing. According to the Department of Transportation, failure to enact this measure could result in the loss of federal funds to the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050 to continue the discussions; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1056, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1056, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 630      Judiciary and Government Operations on S.B. No. 212**

The purpose of this measure is to require privately owned prisons or out-of-state detention facilities that incarcerate Hawaii inmates pursuant to a contract with the State of Hawaii to follow the state freedom of information laws pursuant to chapter 92F, Hawaii Revised Statutes.

Your Committee finds that it is important for privately owned prisons and out-of-state detention facilities operating under a contract with the State of Hawaii to maintain a standard of accountability and transparency. Your Committee also finds that information submitted to the Legislature by privately owned prisons and out-of-state detention facilities under the State's freedom of information laws will aid the Legislature in making sound fiscal and public policy decisions regarding the incarceration of Hawaii inmates.

Your Committee has amended this measure by deleting section 1, the purpose section.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 212, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 212, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 631      Judiciary and Government Operations on S.B. No. 932**

The purpose of this measure is to allow a health care provider to subject a person's body fluids or tissue to a test for the presence of human immunodeficiency virus (HIV) infection after the patient has been given the opportunity to decline the test.

This measure also provides that specific written informed consent for human immunodeficiency virus testing ordered by a health care provider is not required. When a human immunodeficiency virus test ordered by a health care provider has a reactive, indeterminate, or confirmed positive result, the health care provider is required to provide the test results to the patient and offer human immunodeficiency virus post-test counseling.

Your Committee finds that increasing the access to human immunodeficiency virus testing will enable early detection and treatment for infected persons, and consequently, lower the risk of HIV transmission.

Your Committee notes the comments of the American Civil Liberties Union of Hawai'i, concerning the requirement of specific written informed consent for HIV testing on the basis of compromising patient autonomy in medical decision-making and the constitutional protection of privacy.

In light of the concerns raised, your Committee has amended this measure by changing the effective date to July 1, 2050 to continue discussions in this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 932, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 932, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 632            Judiciary and Government Operations on S.B. No. 1259**

The purpose of this measure is to provide consistency between federal and state environmental liability laws in setting forth the conditions and circumstances under which an innocent contiguous property owner or a "bona fide prospective purchaser" shall not be held liable for damages and costs related to the contamination of real property not owned or operated by the property owner or purchaser.

This measure would promote the development and reuse of contaminated properties by providing relief to bona fide purchasers and innocent contiguous property owners from liability for hazardous substance pollution or contamination.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1259, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1259, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 633            Judiciary and Government Operations on S.B. No. 967**

The purpose of this measure is to make Hawaii's controlled substance laws consistent with that of federal law and clarify sections of chapter 329, Hawaii Revised Statutes, relating to controlled substances.

Specifically, this measure:

- (1) Adds new drugs to Hawaii's controlled substance laws to conform to changes made in the federal law;
- (2) Requires the surrender of a registrant's federal controlled substance registration to be considered in determining whether the registrant's state registration is in the public interest and should be suspended or revoked;
- (3) Allows and sets forth procedures for pharmacies that electronically share a real-time, online database to transfer controlled substance prescriptions between their pharmacies;
- (4) Specifies what information practitioners and pharmacists who dispense controlled substances are required to record in their log books; and
- (5) Provides for administrative inspections consistent with Department of Health inspection procedures.

Your Committee finds that this measure protects the public by updating Hawaii's controlled substances schedules, as well as by assisting pharmacists and physicians to better serve their patients by streamlining the requirements for dispensing controlled substances.

Your Committee has amended this measure by:

- (1) Deleting section 5 regarding the grounds for determining whether a state registration to manufacture, distribute, or dispense a controlled substance should be suspended or revoked;
- (2) Deleting section 8, which relates to administrative inspections; and
- (3) Changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 967, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 634            Judiciary and Government Operations on S.B. No. 1058**

The purpose of this measure is to require the Attorney General, with the assistance of various public and private entities, to coordinate a review of the impact of diverting marijuana and low-level felony drug offenders to treatment centers rather than incarceration in the criminal justice system.

Your Committee finds that diverting marijuana and low-level felony drug offenders to treatment centers rather than incarceration relieves the criminal justice system from overcrowding of inmates and reduces costs to the State for incarcerating those drug offenders. Due to the current economic conditions, your Committee also finds that an unbiased report on the costs and benefits of a low-level drug offender diversion program is warranted to make fiscally-sound policy decisions.

Your Committee has amended this measure by:



- (1) Changing the effective date to July 1, 2050 to continue discussions; and
- (2) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1058, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1058, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 635      Judiciary and Government Operations on S.B. No. 1059**

The purpose of this measure is to establish an illegal fireworks task force to develop a plan and make recommendations to the Legislature to stop the importation of illegal fireworks and explosives into Hawaii.

Your Committee finds that this measure will organize various agencies to work collaboratively on solutions to better enforce the growing distribution and use of illegal fireworks in our communities. Each year, the use of illegal fireworks, namely aerials by unlicensed, nonprofessional persons, continues to increase. These illegal fireworks pose a fire and life safety risk and danger to the public. Enhanced enforcement strategies among state, county, and federal agencies are essential to address the problem.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to continue the discussions; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1059, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1059, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 636      Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 645**

The purpose of this measure is to increase the reserved housing requirement for a planned development to twenty-five per cent of floor space in the Kakaako community development district, mauka area for lots 80,000 square feet or more in size.

Testimony in support of this measure was submitted by three organizations and one public citizen. One public citizen supported the intent of the measure, and one state agency and three organizations provided comments. Testimony in opposition was submitted by four organizations and one public citizen. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the State has invested more than \$500 million in infrastructure improvements to accommodate housing developments in the Kakaako community development district, mauka area. In 1982, the Kakaako community development district redevelopment plan called for a mixture of industrial, commercial, and residential land uses because of its strategic location in the primary urban core. The plan envisioned approximately 19,000 housing units of which three-fourths were expected to be affordable housing units. Your Committee believes that during the economic downturn, the Legislature has an opportunity to make a lasting contribution to the State's economy by providing a substantial number of affordable housing units and fulfilling the goals of the Kakaako community development district.

Your Committee has amended this measure by:

- (1) Increasing the square footage threshold to which the twenty-five per cent reserved housing requirement applies from 80,000 square feet to lots of three acres or more and requiring twenty per cent reserved housing for lots of at least 20,000 square feet and less than three acres;
- (2) Expanding the application of the reserved housing requirement to include residential, commercial, industrial, and resort uses;
- (3) Adding public utility facility to the definition of "community service use";
- (4) Adding a definition of "floor area";
- (5) Requiring that unbuilt portions of pending master plans comply with this measure;
- (6) Amending the purpose section to reflect these changes; and
- (7) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 645, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 645, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Takamine, Hemmings).

**SCRep. 637 (Majority) Ways and Means on S.B. No. 560**

The purpose of this measure is to establish a task force, within the Office of Hawaiian Affairs, to study the disparate treatment of native Hawaiians and other ethnic groups in the State's criminal justice system.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that all citizens are entitled to a fair and just judicial system. Disparities in the criminal justice system foster mistrust by the public and impede the promotion of public safety. A study conducted by the task force under this bill would be a first step toward reducing disparities in the system because it will assist in determining where disparities occur and identifying the causes. Appropriate intervention and action can be taken thereafter to reduce the disparities.

Your Committee has amended this measure by making technical nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 560, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 560, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Hemmings). Excused, 2 (Hee, Tsutsui).

**SCRep. 638 (Majority) Ways and Means on S.B. No. 1343**

The purpose of this measure is to replace various administrative agency fees that had been established by administrative rule with statutory fees.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure addresses concerns raised in the Hawaii Supreme Court's opinion in *Hawaii Insurers Council v. Lingle*. Establishing these fees by statute rather than by administrative rule avoids conflict with the separation of powers doctrine, while also making administrative fee more uniform.

Your Committee amended the bill by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1343, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1343, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Hemmings). Excused, 2 (Hee, Tsutsui).

**SCRep. 639 Ways and Means on S.B. No. 754**

The purpose of this measure is to direct the Legislative Reference Bureau to review the state and county laws related to affordable housing to identify strategies to strengthen Hawaii's housing laws.

Specifically, this measure requires the Legislative Reference Bureau, in particular, to review the following statutes to recommend strategies to strengthen Hawaii's housing laws:

- (1) Chapter 201H, Hawaii Revised Statutes, relating to the Hawaii Housing Finance and Development Corporation;
- (2) Chapter 356D, Hawaii Revised Statutes, relating to the Hawaii Public Housing Authority; and
- (3) Chapter 46, Hawaii Revised Statutes, relating to county organization and administration.

Your Committee received three written comments on this measure.

Copies of written comments submitted to the Committee are available for review on the Legislature's website.

In the review, the Legislative Reference Bureau is directed to:

- (1) Identify duplicative or overlapping provisions in current law that may hamper the increased development of affordable housing;
- (2) Review concerns raised regarding proposed amendments to Hawaii's housing laws that were intended to increase the development of affordable housing, which were introduced in the 2008 and 2009 legislative sessions;
- (3) Review any recommendations made by any legislative task force, financial or management audit, or affordable housing study conducted within the last three years regarding proposed amendments to Hawaii's housing laws that were intended to increase the development of affordable housing; and
- (4) Determine any other information that may be relevant during the course of the review.

The Legislative Reference Bureau is also directed to seek input from a variety of stakeholders and to submit a report of its findings, recommendations, and any proposed legislation to the Legislature no later than twenty days prior to the convening of the regular session of 2010.

Your Committee finds that the study required in this measure will help to identify strategies to increase the supply of affordable housing in the State.

Your Committee has amended this measure by:

- (1) Updating data from the Urban Land Institute Hawaii in the purpose section of the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 754, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 640      Ways and Means on S.B. No. 301**

The purpose of this measure is to standardize requirements relating to registered agents of business entities by adopting the Model Registered Agents Act.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that every domestic or foreign entity registered to do business in the State is required to have a registered agent who is located in the State to accept service of process. In many cases, the agent is a company that acts as the registered agent for many other entities in the State. This measure will create a registry of commercial agents, so that if there are any changes in the name, address, or other information of the commercial agent, the change need only be noted in the registration for the commercial agent and not in the registration for each of the entities whom the commercial agent represents. Your Committee finds that eight other states have adopted this model act and believes that this measure will save both the registrants and the Business Registration Division of the Department of Commerce and Consumer Affairs significant amounts of time and cost when a business changes its commercial agents.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 301, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 301, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 5 (Fukunaga, Galuteria, Hee, Kidani, Hemmings).

**SCRep. 641      Ways and Means on S.B. No. 1165**

The purpose of this measure is to repeal the sunset date of the general excise tax exemption on payments by timeshare operators and condominium submanagers for employee wages, salaries, benefits, insurance premiums, and payroll taxes.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that making this general excise tax exemption permanent will level the playing field for timeshare operators. Prior to the exemption for timeshare operators, the exemption only extended to hotel operators. Similarly, condominium submanagers were also not covered under the exemption while managers were covered. Your Committee also finds that there is no loss of tax revenue to the State. Rather, an existing exemption will become permanent. Your Committee believes that tax exemptions for these groups will encourage growth in the timeshare industry and provide a uniform exemption for all hospitality related businesses.

Your Committee has amended the effective date to January 1, 2051, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1165, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1165, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 642      Ways and Means on S.B. No. 38**

The purpose of this measure is to protect public health by increasing the tax on tobacco products other than cigarettes, such as smokeless tobacco, snuff, and pipe tobacco, as a deterrent to their use.

Specifically, this measure:

- (1) Amends the definition of "tobacco products" to include smokeless tobacco and pipe tobacco;
- (2) Increases the excise tax on the wholesale price of tobacco products from forty per cent to sixty per cent; and
- (3) Requires taxes collected from tobacco products other than cigarettes to be deposited into the community health centers special fund.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the tax increase proposed by this measure will protect public health by deterring youth consumption of tobacco products, including smokeless tobacco and pipe tobacco. Your Committee believes that this tax increase is a reasonable

deterrent to tobacco consumption and will generate approximately \$5,250,000 in annual revenues, one-third of which will go directly to health care funding.

Your Committee has amended the measure by:

- (1) Replacing the community health centers special fund with the health systems special fund;
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion; and
- (3) Making a technical amendment to the effective date to ensure that the amendments made by this measure to the definition of "tobacco products" is not inadvertently repealed when a previously amended version of section 245-1, Hawaii Revised Statutes, is reenacted on July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 38, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 643      Ways and Means on S.B. No. 266**

The purpose of this measure is to establish a global warming task force to assess the impacts of global warming and climate change trends in the State.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that global climate changes are a threat to the health of the residents of the State and Hawaii's prosperity. Your Committee further finds that these climate changes lead to the threat of stronger hurricanes, prolonged drought, shifting weather patterns, warmer temperatures, shifting micro-climates, increased spread of invasive species, and saltwater intrusion into Hawaii's aquifers.

Your Committee has amended this measure by:

- (1) Changing the source of financing from the state general fund to the tourism special fund;
- (2) Appropriating \$100,000 from the tourism special fund for fiscal year 2009-2010 and a like amount for fiscal year 2010-2011; and
- (3) Changing the effective date of this measure to July 1, 2070, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 266, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 266, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 644      Ways and Means on S.B. No. 746**

The purpose of this measure is to establish a two-year pilot project within a designated complex area in the Department of Education to demonstrate cost efficiencies and savings of complex-wide allocations of funds received by the complex area through the weighted student formula.

To accomplish the purpose of the pilot project, this measure authorizes the complex area superintendent to reallocate resources within the schools in the complex area to achieve greater efficiency and cost-effectiveness and exempts the designated complex area from any department-wide budget reductions or restrictions during the two-year pilot program.

Your Committee finds that the reallocation of resources within a complex area could prove to be highly cost-effective and provide more autonomy in the management of complex areas. The results of the reallocation could be beneficial for students, staff, and administrators.

Your Committee amended this measure by:

- (1) Adding the requirement that the Department of Education report on any deficits in the pilot project;
- (2) Changing the effective date to July 1, 2070 to facilitate continued discussion on this issue; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 746, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 746, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 645 (Majority) Ways and Means on S.B. No. 821**

The purpose of this measure is to effectuate the findings of the Joint Legislative Committee on Aging in Place and to maintain the levels of Kupuna Care service that were provided statewide in the 2007-2008 fiscal year.

More specifically, this measure requires the Executive Office on Aging to cooperate with the county Offices of Aging to develop:

- (1) A plan to increase voluntary contributions to support the cost of Kupuna Care programs;
- (2) Procedures for managing the waitlist for Kupuna Care service; and
- (3) Policies for applying a cash and counseling approach to service delivery.

Your Committee received three written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that the Kupuna Care program has been one of the most cost effective programs delivering vital services to elders in Hawaii. As of June 30, 2008, the waitlist for Kupuna Care services contained two hundred forty-two people. Since the need for government funded elder services is likely to increase with the downturn in the economy, your Committee believes that it is important to maintain critical care services and programs like Kupuna Care.

Your Committee amended this measure by changing the effective date to July 1, 2070, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 821, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 821, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 646 (Majority) Ways and Means on S.B. No. 1140**

The purpose of this measure is to require health plans, other than government payors and limited benefit health insurance policy insurers, to reimburse critical access hospitals and federally qualified health centers at rates consistent with medicare and medicaid reimbursement rates.

Your Committee received two comments on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that critical access hospitals and federally qualified health centers that serve the economically disadvantaged play a critical role in the State's health care system. Low reimbursement health care rates, however, have caused financial problems for all health care systems, especially those that serve the poor.

Currently, government is subsidizing the costs of healthcare services for the disadvantaged because health insurance plans in Hawaii are not paying for the full costs of health care provided to plan beneficiaries. Unless the State continues to provide special subsidies to cover the operating costs of critical access hospitals and federally qualified health centers, these health care providers will cease to exist.

This measure requires commercial health care providers to pay not less than one hundred and one per cent of costs, consistent with medicare and medicaid reimbursement rates, for all services rendered to applicable health plan beneficiaries.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this issue and by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1140, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1140, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 647 Ways and Means on S.B. No. 1300**

The purpose of this measure is to appropriate funds for six instructor positions for Junior Reserve Officers' Training Corps programs at public high schools in the State.

Your Committee finds that Junior Reserve Officers' Training Corps program builds character, discipline, and positive self images in young men and women. Your Committee also finds that the funds appropriated by this measure will ensure that Lahainaluna, Kapolei, and Mililani High Schools will be able to establish Junior Reserve Officers' Training Corps programs upon invitations from either the United States Army or the United States Navy to continue the proud heritage of Junior Reserve Officers' Training Corps programs in Hawaii schools.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2090 to facilitate further discussion on the measure; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1300, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1300, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 648      Ways and Means on S.B. No. 1332**

The purpose of this measure is to require board licensure for respiratory care practitioners.

Your Committee received eleven written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that the practice of respiratory care requires expertise and proficiency in many areas of medicine and advance technologies including life-support systems and sophisticated patient monitoring devices. The development and implementation of minimum standards in cardiopulmonary health under this measure to ensure that only qualified persons are licensed as respiratory care practitioners will help to protect patients and maintain the public's health, safety, and welfare.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2090, for purposes of continued discussion of the matter; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1332, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1332, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 649      Ways and Means on S.B. No. 1206**

The purpose of this measure is to confer upon a county board, in a county with a population of at least five hundred thousand people, the power to issue revenue bonds in its own name, if so authorized under the county charter.

Your Committee finds that this measure will enable the various county boards of water supply to issue revenue bonds, in counties with a population of at least five hundred thousand persons. Your committee believes that current economic conditions make it necessary to develop additional sources of funds for the acquisition and distribution of potable water.

Your Committee has amended this measure by:

- (1) Clarifying that only a county board of water supply, as opposed to any county board, would be able to issue revenue bonds in its own name;
- (2) Changing the effective date to January 1, 2090, to facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1206, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1206, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 650      Ways and Means on S.B. No. 1313**

The purpose of this measure is to abolish the Hawaii Community Development Authority (Authority) and transfer the authority, duties, responsibilities, and jurisdiction of the Authority to:

- (1) The Department of Land and Natural Resources with respect to the Kalaeloa Community Development District and the portion of the Kakaako Community Development District that is makai of Ala Moana Boulevard, along with the submerged lands and contiguous fast lands necessary for the management, maintenance, and operation of Kewalo basin; and
- (2) The City and County of Honolulu, with respect to the portion of the Kakaako Community Development District that is mauka of Ala Moana Boulevard,

provided that zoning authority over all real property in the Kalaeloa Community Development District and the Kakaako Community Development District, both mauka and makai of Ala Moana Boulevard, is transferred to the City and County of Honolulu.

Your Committee has received three comments on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that following its establishment by the Legislature in 1973, the Authority has made vast improvements within the Kakaako Community Development District, an area at the heart of urban Honolulu that, at the time, was being underutilized and in need of renewal, renovation, and improvement. However, your Committee finds that the Authority has accomplished the majority of the tasks that were set forth for it in Kakaako. Your Committee further finds that the Authority has made major strides in preparing and adopting the development guidelines for the Kalaeloa Community Development District.

Accordingly, your Committee believes that it is time to transfer the continuing zoning oversight of the Kakaako Community Development District and the Kalaeloa Community Development district over to the City and County of Honolulu, while retaining the ownership of the Kalaeloa Community Development District and the portion of the Kakaako Community Development District makai of Ala Moana Boulevard, along with Kewalo Basin, in the Department of Land and Natural Resources.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive changes for clarity and consistency; and
- (2) Changing its effective date to allow for further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1313, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1313, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 651      Ways and Means on S.B. No. 830**

The purpose of this measure is to establish the shared services technology fund to allow state departments and agencies to pool resources for common technology systems, hardware, and software.

Your Committee received one written comment on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that pooling department and agency resources is an efficient method of reducing operating and administrative costs, optimizing purchasing power through bulk contracts and sales, and reducing the time spent on processing purchase orders. Your Committee believes during this time of fiscal restraint that the shared services technology fund, through streamlined purchasing and bulk purchases, will assist the State in minimizing budgetary costs and maximize limited resources.

Your Committee has amended the measure by making technical, nonsubstantive amendments for purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 830, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 830, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (English, Hee, Tsutsui).

**SCRep. 652      Ways and Means on S.B. No. 1277**

The purpose of this measure is to increase incentives for the development of affordable housing in Hawaii.

Specifically, this measure:

- (1) Establishes a self-help housing trust fund;
- (2) Increases the conveyance tax on transfers or conveyances of real property valued in excess of \$1,000,000, dedicates five per cent of the conveyance tax to the self-help housing trust fund, and increases the conveyance tax contribution to the rental housing trust fund;
- (3) Increases the value of the low-income housing tax credit provided in chapter 235, Hawaii Revised Statutes, by shortening the period over which the credits can be taken from ten years to five years;
- (4) Facilitates the collection of any shared appreciation equity lien, deferred sale price lien, and any excess proceeds in lieu of any buyback provision in the event of a foreclosure of any property that received assistance from the Hawaii Housing Finance and Development Corporation; and
- (5) Establishes a mortgage credit certificate program to assist qualified low and moderate-income persons purchasing a principal residence with a state income tax credit of up to, or equal to, twenty per cent of the annual mortgage interest payments.

Your Committee received eight comments on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that in spite of past efforts made by the State to ease the housing crisis, particularly for the homeless and low- and moderate-income residents, more assistance is needed. Your Committee finds that the multi-pronged approach contained in this measure may make a significant difference in resolving this situation.

Your Committee has made technical nonsubstantive changes to this measure for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1277, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1277, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 653      Ways and Means on S.B. No. 568**

The purpose of this measure is to establish the electronic prescription task force to develop a plan to implement a mandatory electronic prescription drug program not later than July 1, 2011.

This measure establishes the task force within the Department of Health to develop a plan to implement the mandatory use of an electronic prescription drug program by pharmacists, physicians, and others authorized to prescribe or dispense prescription drugs in the State. The task force is also required to report its findings, recommendations, and any necessary proposed legislation to the Legislature prior to the regular session of 2010.

Your Committee finds that, in light of the billions of dollars the federal government is expected to allocate under the federal stimulus package, known as the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, for health information technology programs, it is imperative that the State lay the groundwork provided in part, by the measure, to be in position to qualify for the federal funds. It is also important for the Administration to recognize the opportunities under the federal stimulus package to work with the Legislature to maximize the State's share of federal stimulus proceeds.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 568, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 568, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 654      Ways and Means on S.B. No. 995**

The purpose of this measure is to address the additional income and proceeds that the Office of Hawaiian Affairs is to receive from the public land trust pursuant to article XII, sections 4 and 6, of the Hawaii Constitution, for the period November 7, 1978 to July 1, 2009.

Specifically, this measure:

- (1) Conveys certain parcels of real property in fee simple to the Office of Hawaiian Affairs; and
- (2) Supports the conveyance with appropriate provisions, such as exempting all the conveyed lands from the definition of "public lands" in chapter 171, Hawaii Revised Statutes, and exempting the conveyed lands located in Kakaako from the authority of the Hawaii community development authority under chapter 206E, Hawaii Revised Statutes.

Your Committee received one written comment on this measure. A copy of the written comment submitted is available for review on the Legislature's website.

Your Committee finds that this measure allows the State to effectively and responsibly meet part of its constitutional obligation to native Hawaiians by addressing the additional amount of income and proceeds that the Office of Hawaiian Affairs is to receive from the public trust for the period November 7, 1978, to July 1, 2009.

Your Committee amended this measure by making technical, nonsubstantive amendments and changing the effective date to July 1, 2070, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 995, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 995, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 655      (Majority) Ways and Means on S.B. No. 1096**

The purpose of this measure is to appropriate funds for the science-, technology-, engineering-, and math-related (STEM) programs in Hawaii's public schools and charter schools.

More specifically, the purpose of this measure is to provide additional funds to ensure that all interested schools will be able to provide STEM programs in 2009-2012. In addition, the measure provides funding for the K-12 after-school creative media education initiatives.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that STEM and creative media programs are important to prepare Hawaii's students for further education and employment and ensure their success in the global economy.

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

- (1) Changing the effective date to July 1, 2070, to facilitate further discussion; and
- (2) Making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1096, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1096, S.D. 2.



Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 1 (Hemmings). Excused, 2 (Hee, Kokubun).

**SCRep. 656      Ways and Means on S.B. No. 579**

The purpose of this measure is to require all state and county documents, letterheads, symbols, and items, when newly created, replaced, or reprinted to contain accurate, appropriate, and authentic Hawaiian names and language.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee recognizes that the Hawaiian language is one of two official languages of the State. The Hawaiian language, however, is underutilized by the State and counties in official documents and publications. Your Committee finds that this underrepresentation has a detrimental effect on the Hawaiian culture, and over time, erodes the significance of the culture and the language. Your Committee believes that increasing, and requiring the proposed use of Hawaiian names and language in government documents, letterhead, symbols, and items will help to preserve the Hawaiian language and culture.

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

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 579, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 579, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 657      Ways and Means on S.B. No. 747**

The purpose of this measure is to implement several recommendations of the educational workforce working group regarding workforce development issues.

Specifically, this measure:

- (1) Establishes and appropriates funds for a comprehensive database for tracking students from grades kindergarten to twelve and beyond as they move into the workforce;
- (2) Establishes and appropriates funds for a community-business exchange coordinator position in the Department of Education but housed by contract within a nonprofit organization;
- (3) Extends the Educational Workforce Working Group for two more years; and
- (4) Appropriates funds for other workforce initiatives.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure increases cooperation among different executive branch departments in strengthening the connection between educational reform and a skilled workforce.

Your Committee has amended this measure by changing the effective date to July 1, 2090, to facilitate continued discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 747, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 747, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 658      Ways and Means on S.B. No. 423**

The purpose of this measure is to appropriate state funds to match the federal Medicaid disproportionate share hospital allowance.

Your Committee received four written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that this measure would provide the matching appropriation, enabling Hawaii to receive disproportionate share hospital funding from the federal government in the amount of \$12,500,000. Since 1993, as part of the agreement when Med-Quest was established, Hawaii did not qualify for disproportionate share hospital funding. Your Committee believes that by appropriating \$10,181,909 as the State's matching share, the State will enable health care providers to continue offering quality services to Hawaii's disadvantaged populations.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2050 to facilitate further discussion; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 423, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 423, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 659 Ways and Means on S.B. No. 415**

The purpose of this measure is to require the licensure of home care agencies.

Specifically, this measure:

- (1) Requires home care agencies to be licensed by the Department of Health beginning July 1, 2010, and requires the Department of Health to adopt rules for licensure;
- (2) Defines "home care agency" and "home care services"; and
- (3) Exempts service provider agencies under contract with the City and County of Honolulu Elderly Affairs Division from the licensing requirement.

Your Committee received four written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that home care agencies provide valuable home care services, such as personal care, homemaker assistance, and respite care, to an increasing segment of Hawaii's residents. Your Committee believes that the rising demand for home care services makes it necessary to license agencies that provide these services to ensure that minimum standards of quality, safety, and responsibility are met. Accordingly, your Committee finds that requiring the licensure of home care agencies in the State will help ensure the health, safety, and welfare of consumers.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 415, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 415, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 660 Ways and Means on S.B. No. 1160**

The purpose of this measure is to authorize the Hawaii Public Housing Authority to assess all the units in a state public housing project at least one per cent of common area expenses.

Your Committee finds that assessing common area expenses will encourage residents to take responsibility over the common area elements. The assessment will also assist the Hawaii Public Housing Authority to make necessary repairs, perform maintenance, and undertake safety measures. Your Committee believes that the assessment will allow the Authority to direct funds earmarked for common area expenses to housing project developments and programs.

Your Committee has amended the effective date of the measure to January 1, 2110 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1160, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 661 Ways and Means on S.B. No. 1060**

The purpose of this measure is to increase the permit and license fees associated with using and importing fireworks.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that fireworks permit and import license fees have not increased in the last nine years. Meanwhile, the cost of services provided by police, fire, and emergency personnel that respond to fireworks related incidences continues to increase. In addition, the counties bear the cost and responsibility of cleaning streets and parks that are littered with fireworks and debris. Your Committee also finds that the administrative costs have increased due to the rising number of fireworks display permits and the need to properly account for pyrotechnic inventory items. Your Committee believes that an increase in fireworks related fees will help cover the costs associated with protecting the public's safety and administering fireworks laws.

Your Committee has amended the measure to make a technical nonsubstantive correction.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1060, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1060, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 662 Ways and Means on S.B. No. 186**

The purpose of this measure is to increase the monthly board rate paid by the Department of Human Services for foster care services.

The term "board rate" refers to the compensation paid by the State to foster care parents to pay for certain expenses of foster care children.

Your Committee finds that the monthly board rate for foster care services has not been raised since 1990. Failure to increase the rate has made it difficult for foster families to provide food, housing, utilities, clothing, and other necessary items for their foster children.

Your Committee amended this bill by changing the effective date to July 1, 2090, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 186, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 186, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 663 Ways and Means on S.B. No. 774**

The purpose of this measure is to improve before- and after-school care for school-aged children in the State.

More specifically, this measure appropriates temporary assistance for needy families program funds for non-school hour programs and allocates funds for the implementation of a Safe Haven demonstration program in the county of Hawaii.

Your Committee received two written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that non-school hour programs provide school-aged children with positive opportunities and experiences. Your Committee further finds that involvement in these programs deters problems of juvenile crime, drug use, and experimentation with tobacco, alcohol, and sexual activity.

Your Committee amended this measure by:

- (1) Changing the effective date of the appropriations to July 1, 2090, to facilitate further discussion on the measure; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 774, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 774, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 664 Ways and Means on S.B. No. 1674**

The purpose of this measure is to increase the amount of a previously authorized revenue bond issuance to the University of Hawaii.

This measure also extends the use of the proceeds from the previously authorized bond issuance to 2013. The additional \$50,000,000 in revenue bonds issued by the measure are subject to use through June 30, 2015.

Your Committee received one comment on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that the University of Hawaii needs more time to encumber the bonds that were previously authorized for issuance under Act 161, Session Laws of Hawaii. The increased bond issuance under this measure is necessary for the university to more quickly address its growing facility needs and address major repair and maintenance demands.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2090, for the purposes of continued discussion of the matter; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1674, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1674, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 665      Ways and Means on S.B. No. 862**

The purpose of this measure is to enhance the ability of the Hawaii Housing and Finance and Development Corporation to protect its lien rights on foreclosed property.

Specifically, this measure facilitates the Corporation's collection of shared appreciation equity liens, deferred sales price liens, and excess proceeds in lieu of a buyback provision. The measure also requires adequate notice to the Corporation to allow it to prepare and act at foreclosure proceedings.

The Committee received two comments on this measure.

Copies of written comments submitted to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the sale of affordable housing properties sponsored or assisted by the Hawaii Housing Finance and Development Corporation is subject to a buyback restriction and a shared appreciation equity lien. The Corporation also provides deferred sales price liens to assist low- or moderate-income homebuyers in purchasing a first home. Upon the sale or transfer of a Corporation-assisted home, the shared appreciation equity is deposited into the dwelling unit revolving fund, which can be used to support the development of additional affordable housing projects. Your Committee also finds that this measure will not only protect the Corporation's lien rights in the event of foreclosure, but also enable recovery of funds to support the purpose of the Corporation.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 862, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 862, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 666      Ways and Means on S.B. No. 638**

The purpose of this measure is to establish a temporary moratorium on evictions of Kahana Valley residents and establish a planning council to draft a master plan.

More specifically, this measure:

- (1) Establishes a two year moratorium on evictions of persons who at the time of the enactment of this measure have:
  - (A) Participated in the interpretive programs for Kahana Valley State Park; and
  - (B) Either continuously lived in the valley since before 1987, or hold, or have held, a long-term lease or permit to reside there; and
- (2) Establishes a planning council in the Department of Land Natural Resources, for administrative purposes, to develop a living park master plan for Kahana Valley State Park.

Your Committee received one written comment on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that the establishment of a planning council, comprised of three of seven members who are residents of Kahana Valley, further the State's intent to make the Kahana Valley State Park a living interpretive state park that demonstrates a modern living native Hawaiian community. Further, your Committee believes that the development of a living park master plan would be hampered with the continuation of the eviction of valley residents claiming a right to live in Kahana Valley.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to allow for further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 638, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 667      (Majority) Ways and Means on S.B. No. 1678**

The purpose of this measure is to allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement.

Specifically, this measure:

- (1) Moves the one-half of one per cent tax rate for wholesale transactions to a new chapter;
- (2) Adds a new chapter on the taxation of imports of property, services, and contracting;
- (3) Moves the 0.15 per cent tax on insurance producers to a new chapter; and
- (4) Eliminates the tax on businesses owned by disabled persons.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that Act 173, Session Laws of Hawaii 2003, the Hawaii Simplified Sales and Use Tax Administration Act allowed the State to become a participating member of the National Streamlined Sales Tax Project. The Project was intended to prepare member states to participate in the Streamlined Sales and Use Tax Agreement. Participation in the Agreement would allow the State to level the playing field with respect to assisting local businesses to better compete with mail order and internet sellers who may not necessarily be paying their fair share of state taxes. Participation in the Agreement would also assist the State in the collection of additional revenue to address a projected budgetary shortfall and reduced projected tax collections.

Your Committee finds that as a final step to the State's participation in the Agreement, this Act provides the necessary legislation to conform certain state tax laws to the requirements of the Streamlined Sales and Use Tax Agreement.

Your Committee has amended the measure by:

- (1) Correcting drafting errors with respect to the text of the Hawaii Revised Statutes; and
- (2) Making technical amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1678, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1678, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 1 (Hemmings). Excused, 2 (Hee, Tsutsui).

**SCRep. 668      Ways and Means on S.B. No. 294**

The purpose of this measure is to clarify that the Department of Business, Economic Development, and Tourism may make recommendations to the state departments rather than to agencies.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 294, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 294, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Tsutsui).

**SCRep. 669      Ways and Means on S.B. No. 287**

The purpose of this measure is to establish a geothermal energy pilot program in a specified county to develop and expand the energy infrastructure needed to maximize the production of electricity from geothermal energy sources.

This measure also:

- (1) Establishes a geothermal energy pilot program tax credit to taxpayers for some of the costs of a geothermal energy infrastructure project;
- (2) Authorizes the Public Utilities Commission to direct public utilities in the pilot program county to acquire electricity from the geothermal energy producers and supply it to the public at maximum capacity; and
- (3) Requires the Public Utilities Commission to develop reasonable guidelines and timetables for creating and implementing power purchase agreements.

Your Committee received two written comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the pilot program established in this measure will yield valuable insights and strategies to use in reducing the State's reliance on imported fossil fuels and increase the State's level of energy self-sustainability.

Your Committee has amended this measure as follows:

- (1) Deleting the tax credit for the geothermal energy pilot program;
- (2) Changing the effective date to July 1, 2090, for the purposes of continued discussion of the matter; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 287, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Ayes with Reservations, 3 (Chun Oakland, English, Galuteria). Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 670 Ways and Means on S.B. No. 271**

The purpose of this measure is to allow the Hawaii Tourism Authority to respond to national or global economic crises that adversely affect the tourism industry.

More specifically, this measure includes a national or global economic crisis as a situation that may be declared a tourism emergency. The measure also requires the governor's express approval before action can be taken by the Hawaii Tourism Authority.

Your Committee received sixteen written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that tourism-related industries are an important part of the State's economy that has been severely affected by the airline crisis early last year and the subsequent economic decline across the country. Your Committee further finds that including national or global economic crises as a situation that may be declared a tourism emergency will allow the Tourism Emergency Trust Fund to be used for that purpose. Your Committee also finds that allowing access to these moneys during an economic emergency is an appropriate use of the fund, as it enables the Hawaii Tourism Authority to assist tourism-related industries to promote Hawaii as a travel destination. With other resort destinations pouring millions of dollars into their marketing campaigns, it is important that this State maintain a presence in the global tourism market.

Your Committee amended this measure by:

- (1) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (2) Making a technical, clarifying amendment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 271, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 271, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 671 (Majority) Ways and Means on S.B. No. 44**

The purpose of this measure is to assist the financial operations of the Hawaii Health Systems Corporation.

Specifically, this measure:

- (1) Transfers back to the Department of Health the amount of the liabilities that the community hospitals had accrued while operating within the Division of Community Hospitals of the Department of Health prior to the establishment of the Hawaii Health Systems Corporation on July 1, 1996;
- (2) Requires the Hawaii Health Systems Corporation to assume all liabilities or debts or other obligations accrued by the community hospitals beginning on July 1, 1996, and thereafter; and
- (3) Clarifies the Hawaii Health Systems Corporation's responsibility for making payments into the Employees' Retirement System funds for its employees.

Your Committee received one comment on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee supports the remedial steps provided under this measure to ensure the financial integrity of the State's community hospitals and their ability to provide essential healthcare services to Hawaii's residents.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 44, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 44, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, 1 (Hemmings). Excused, 5 (Galuteria, Hee, Kidani, Kokubun, Tsutsui).

**SCRep. 672 Ways and Means on S.B. No. 201**

The purpose of this measure is to appropriate funds to the Hawaii County Economic Opportunity Council to purchase ten buses to transport the elderly, the disabled, and pre-school children to and from public and private service facilities.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that according to United States Census Bureau statistics, Hawaii county represents more than sixty per cent of the entire land area of the State. Because of the county's large geographic size, adequate and reliable transportation is vital to the county's residents, especially the elderly, disabled, and children

Your Committee also finds that twenty-four off-highway communities in Hawaii county exist along a two hundred sixty-mile area where no transportation service is provided except for the Hawaii County Economic Opportunity Council. Many of the Council's buses are over ten years old and require constant maintenance to keep them operational. Your Committee believes that new buses will provide safer, more efficient and reliable transportation for the Council's clients.

Your Committee has amended the measure by:

- (1) Stipulating that the appropriation not be expended if federal funding under the American Recovery and Reinvestment Act of 2009 can be used in lieu of the appropriation in this measure;
- (2) Changing the effective date to July 1, 2009, to encourage further discussion on this matter; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 201, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 201, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 673 (Majority) Ways and Means on S.B. No. 63**

The purpose of this measure is to require an employer to pay temporary total disability benefits to an injured employee regardless of whether the employer denies the employee's claim.

Furthermore, this measure penalizes an employer who delays payment by increasing the amount of temporary total disability benefits that are payable to the employee. This measure also authorizes the Director of Labor and Industrial Relations to issue a credit to an employer for any overpayment of benefits.

Seven written comments were submitted to your Committee. The written comments may be reviewed on the Legislature's website.

Your Committee believes that this measure will discourage employers from routinely denying claims pending an investigation and instead encourage employers to ensure that workers return to work only when they are able.

Your Committee has amended this measure by changing the effective date to July 1, 2090, and July 1, 2100, respectively, for the purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 63, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 63, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, 2 (Kidani, Hemmings). Excused, 1 (Kokubun).

**SCRep. 674 Ways and Means on S.B. No. 86**

The purpose of this measure is to establish the Makua Valley Reserve Commission to oversee the preservation and restoration activities in Makua Valley on the island of Oahu.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the intent of the measure is to involve stakeholders in the Makua Valley preservation and restoration efforts, and provide the community with an ability to advocate through the Makua Valley Reserve Commission. Your Committee believes that Makua Valley is rich in cultural resources and that the creation of this commission provides a sensitive approach to appropriately managing the valley and its fragile resources.

Your Committee has amended the measure by:

- (1) Changing the effective date to January 1, 2020, to facilitate further discussion on this issue; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 86, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 86, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 675 Ways and Means on S.B. No. 91**

The purpose of this measure is to authorize the Hawaii community-based economic development revolving fund to receive funding from any source.

This measure also reduces the maximum outstanding balance amount and interest rates for loans received from \$500,000 to \$250,000 and amends the definition of "community of interest" to allow for broader representation of persons who share a common economic interest, but do not necessarily live in the same geographic region.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow community-based organizations in the State to keep pace with the changing economy to meet the challenges of the most distressed communities, by authorizing the Hawaii community-based economic development revolving fund to receive moneys from sources other than the general fund.

Your Committee has amended this measure by:

- (1) Adding a new section 5 to the measure to make a conforming amendment to section 210D-9, Hawaii Revised Statutes, to reflect the change in maximum loan amount, and by appropriately renumbering the remaining sections of the measure;
- (2) Changing the maximum amount of a loan and outstanding loan balance to unspecified amounts;
- (3) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive amendments for the purpose of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 91, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 676 (Majority) Ways and Means on S.B. No. 436**

The purpose of this measure is to provide a tax incentive for life sciences companies to conduct clinical trials in Hawaii.

Your Committee received one written comment on this measure. Copies of written comment submitted are available for review on the Legislature's website.

Your Committee finds that life sciences companies that conduct clinical trials in Hawaii often create more and higher paying jobs in the State. In addition, the conduct of clinical trials contributes to the diversification and sustainability of the State economy. Your Committee believes that conducting these trials in Hawaii will put the State on the cutting edge of drug development and attract research funding from Asia and North America.

Your Committee has amended this measure by:

- (1) Changing the dollar amounts for the tax credit cap and qualified clinical trial costs to unspecified amounts;
- (2) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 436, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 436, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 677 (Majority) Ways and Means on S.B. No. 642**

The purpose of this measure is to provide fairness in health and retirement benefits for excluded employees in the excluded managerial compensation plan.

Specifically, this measure requires adjustments for excluded employees in the excluded managerial compensation plan to be at least equal to across-the-board wage increases or reductions and changes in health and retirement benefits provided under collective bargaining agreements to employees in the bargaining unit from which the employees are excluded. This measure also requires similar adjustments for excluded civil service employees under the same classification systems as employees within collective bargaining units.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee believes that this measure is necessary to ensure fairness for the public employees excluded from bargaining units.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 642, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 642, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Kokubun).

**SCRep. 678 Ways and Means on S.B. No. 876**

The purpose of this measure is to clarify various provisions relating to the Employees' Retirement System.

Specifically, this measure clarifies the retirement date for ordinary disability retirement, payment of attorney's fees and costs in disability retirement and accidental death benefit cases, the forfeiture date for noncontributory service credit, and calculation benefits for certain reemployed retirees.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.



Your Committee finds that the clarifications made in this measure will help to streamline the administration of the Employees' Retirement System to provide more accurate and efficient service to Employees' Retirement System members.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 876, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 876, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 679      Ways and Means on S.B. No. 914**

The purpose of this measure is to conform Hawaii public assistance law to the federal code of regulations regarding the Temporary Assistance for Needy Families program.

Specifically, this housekeeping measure adds the definitions of "non-work eligible household," "other work eligible household," and "work eligible household," repeals the definition of "exempt household" and makes conforming amendments to the new terms with the repealed term, as appropriate.

Your Committee received one comment on this measure. The written comment is available for review on the Legislature's website.

Your Committee finds that this housekeeping measure is necessary to bring the Hawaii's public assistance law into conformance with federal regulations relating to the Temporary Assistance for Needy Families program.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 914, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 680      Ways and Means on S.B. No. 1248**

The purpose of this measure is to authorize agricultural producers and manufacturers to renew their eligibility in the enterprise zone program for an additional seven years.

This measure also allows receipts, sales, and employees of a business establishment that are located within the same county to count toward qualification in the enterprise zone program. Furthermore, this measure adds a new definition of "qualified business activity" to include manufacture of tangible personal property, production of agricultural products, research, development, sale, or production of genetically-engineered products, and production of electric power from wind energy.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee believes that this measure will enable the agricultural industry to attract investment and help to revitalize distressed communities in agricultural areas of the State.

Your Committee has amended this measure by:

- (1) Inserting the inadvertently omitted phrase "enterprise zone located with the same county" in section 209E-9(b)(3) for consistency with other amendments made in the measure;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1248, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Ayes with Reservations, 1 (English). Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 681      (Majority) Ways and Means on S.B. No. 1278**

The purpose of this measure is to clarify the law regarding the establishment and maintenance of the two-tier junior kindergarten and kindergarten program.

More specifically, the purpose of this measure is to:

- (1) Prohibit the movement of junior kindergarten and kindergarten students between tiers, except under certain circumstances;
- (2) Prohibit a junior kindergartener from directly graduating to the first grade, except under certain circumstances;
- (3) Ensure that the curriculum established for the junior kindergarten and kindergarten students is appropriate for students in each tier;

- (4) Require the Department of Education to staff junior kindergartens with qualified teachers with early childhood education backgrounds and experience and teacher aides;
- (5) Require the incorporation of the Hawaii preschool content standards for four-year-olds and content and performance standards for kindergarten students;
- (6) Appropriate funds for the implementation of a junior kindergarten program that achieves a student to teacher ratio of ten-to-one and not greater than fifteen-to-one;
- (7) Appropriate funds for teacher professional development; and
- (8) Appropriate funds for a permanent educational specialist to focus on early childhood education issues.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the two-tier junior kindergarten and kindergarten program was established with the requirement that a developmentally appropriate curriculum be implemented for each tier to address the differing skills and needs of four- and five-year-olds. Further, your Committee finds that the two-tier program has not been clearly established for the junior kindergarten tier. Your Committee also finds that it is important to provide junior kindergarten students with a curriculum that specifically addresses their needs, including qualified teachers with early childhood education background and experience.

Your Committee amended this measure by:

- (1) Deleting the appropriation for and references to the implementation of a junior kindergarten program that endeavors to achieve a certain student to teacher ratio;
- (2) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1278, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1278, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Kokubun).

**SCRep. 682            Ways and Means on S.B. No. 1329**

The purpose of this measure is to clarify provisions of the early learning system.

More specifically, this measure:

- (1) Allows members of the Early Learning Council who are appointed by the Governor to appoint designees to the council;
- (2) Changes the name of the Keiki First Steps Trust Fund to the Early Learning Trust Fund; and
- (3) Clarifies that any unexpended funds in the Early Learning Trust Fund at the end of each fiscal year shall not lapse to the credit of the general fund, but will remain in the trust fund.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to provide the Early Learning Council with flexibility and funds to carry out its mission. Your Committee believes this measure helps Hawaii's youngest residents have access to quality early education, which will have a positive impact on the future success of our children and produce beneficial dividends for all of the State.

Your Committee amended this measure by making technical, nonsubstantive amendments and by changing the effective date to July 1, 2070, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1329, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 683            (Majority) Ways and Means on S.B. No. 1669**

The purpose of this measure is to authorize the issuance of general obligation bonds to fund and reduce the backlog of Department of Education repair and maintenance projects.

This measure also temporarily exempts the Department of Education from the procurement and competitive bidding provisions of chapters 103 and 103D, Hawaii Revised Statutes, in order to expedite the repair and maintenance capital improvement projects.

Your Committee finds that the growing backlog of Department of Education's repair and maintenance projects has a detrimental effect on student learning. School facilities in disrepair diminish school pride and foster a lack of respect for school property by students. Additionally, the failure to repair relatively small projects now, may lead to larger more expensive repairs in the future. The general obligation bonds authorized under this measure will address these problems and provide the necessary funds to repair and maintain the facilities of the Department of Education.

Your Committee has amended this measure by:

- (1) Deleting the provision authorizing the issuance of general obligation bonds and appropriation of funds for fiscal year 2011-2012;
- (2) Clarifying that the Department of Education is required to develop internal policies and procedures for the procurement of goods and services relating to construction projects;
- (3) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1669, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1669, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, 1 (Hemmings). Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 684      Ways and Means on S.B. No. 863**

The purpose of this measure is to authorize the Hawaii Housing and Finance Development Corporation to modify and amend development agreements with eligible developers.

The measure also authorizes the collection of fees to cover administrative expenses and makes housekeeping amendments to delete incorrect references to "public" housing.

Your Committee finds that the corresponding provision relating to the authority to modify and amend development agreements in chapter 201G, Hawaii Revised Statutes, under the Housing and Community Development Corporation of Hawaii, was not included in chapter 201H, Hawaii Revised Statutes, under the Hawaii Housing Finance and Development Corporation, when chapter 201G was replaced by chapter 201H in 2006. This bill rectifies that omission.

Your Committee further finds that this bill also clarifies the Hawaii Housing and Finance Development Corporation's authority to establish and collect reasonable application or service fees for loans, grants, or other affordable housing financing and development assistance programs, by amending the Corporation's general powers accordingly. Your Committee believes that the service fees will allow the Corporation to recover its administrative costs of running its programs to preserve its financial assets for developing and preserving affordable housing statewide.

Your Committee has amended the measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 863, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 863, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 685      Ways and Means on S.B. No. 553**

The purpose of this measure is to require the use of energy-efficient lighting in state buildings.

More specifically, this measure requires all state agencies, except the Department of Public Safety and other facilities that require non-qualifying light bulbs for public safety reasons, to use compact fluorescent light bulbs, light-emitting diode lighting products, and advanced energy-efficient incandescent light bulbs.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that requiring the use of energy-efficient lighting in state buildings will not only reduce electricity costs for the State, but will also help to achieve the State's objective of reducing foreign oil consumption and supporting a greener Hawaii.

Your Committee has amended this measure by making technical amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 553, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 553, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 686      Ways and Means on S.B. No. 559**

The purpose of this measure is to establish the Hawaii Recycling Program to encourage recycling in all state buildings and facilities that are subject to the jurisdiction of the Department of Accounting and General Services.

Specifically, this measure:

- (1) Directs the Department of Accounting and General Services, by January 1, 2011, to establish, at all state buildings and facilities, a mandatory recycling program that includes paper products, electronic devices, plastics, furniture, and all other recyclable items;

- (2) Authorizes use of the deposit beverage container deposit special fund moneys to fund the Hawaii Recycling Program;
- (3) Directs the Department of Accounting and General Services to submit a preliminary and final report to the Legislature on the program in 2009 and 2010, respectively; and
- (4) Appropriates \$12,500 from the deposit beverage container deposit special fund for planning and development of the Hawaii recycling program.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that a recycling program for state facilities and buildings would encourage conservation and reduce the amount of solid waste entering the State's landfills. Your Committee believes that Hawaii's environmental concerns need to be addressed by all state residents through increased recycling and conservation and that the State should lead this effort through its example.

Your Committee has amended this measure by:

- (1) Clarifying that section 3 will take effect on June 29, 2009, in order to avoid possible repeal of the amendments made by this measure to section 342G-104(b) on June 30, 2009;
- (2) Changing the amount of the appropriation to an unspecified amount;
- (3) Changing the effective date to January 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 559, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 559, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 687      Ways and Means on S.B. No. 773**

The purpose of this measure is to appropriate funds for various housing and homeless projects in recognition of the possible federal funding under the American Recovery and Reinvestment Act of 2009.

The measure also expedites the processing and issuance of building permits for affordable housing projects to assist developers contracting for third party review and certification.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the American Recovery and Reinvestment Act of 2009, Pub.L. 111-5, combines tax relief and government spending totaling \$787,000,000,000 to jump start the nation's economy. Hawaii will be eligible to receive a portion of the federal funding through formula grants and competitive applications. Your Committee further finds that the federal funds could supplement the State's continued efforts to assist the homeless, rehabilitate aging public housing stock, and build and maintain affordable housing. Your Committee believes this measure will address critical housing and homeless issues that affect the State and, to the extent possible, permit the use of federal funds to accomplish these goals.

Your Committee has amended the measure by:

- (1) Deleting the provisions Part II and Part III of the measure relating to the rental housing trust fund and the dwelling unit revolving fund;
- (2) Retaining in the law the thirty per cent earmarked for the rental housing trust fund from conveyance tax proceeds;
- (3) Deleting all authorizations for general obligation bonds; and
- (4) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 773, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 688      Ways and Means on S.B. No. 905**

The purpose of this measure is to transfer the Office of Community Services from the Department of Labor and Industrial Relations to the Department of Human Services.

Your Committee received four comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the primary functions of the Office of Community Services more readily correspond to the mission, objectives, and responsibilities of the Department of Human Services than to those of the Department of Labor and Industrial Relations. Your Committee believes that this measure will improve the Department of Human Services' coordination and delivery of

services for programs to assist the disadvantaged, poor, refugees, immigrants, and homeless persons. The Department of Human Services will also be able to assist with employment and job-training, child care, and general assistance.

Your Committee has amended this measure by:

- (1) Clarifying that the Office of Community Services will be attached to the Department of Human Services for administrative purposes only;
- (2) Adding standard transition language to accommodate the agency transfer of rights, powers, functions, and duties; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 905, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 905, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 689 (Majority) Ways and Means on S.B. No. 1679**

The purpose of this measure is to appropriate funds from the emergency and budget reserve fund to maintain levels of programs for education, public health, and public welfare.

More specifically, this measure appropriates funds from the emergency and budget reserve fund to the Department of Health, the Department of Human Services, the Department of Education, and the Executive Office on Aging to provide funding for the following:

- (1) Respite services;
- (2) The Healthy Start program;
- (3) Ke Ola Pono, the Chronic Disease Self-Management program, EnhancedFitness, and for the development of the Aging and Disability Resource Center;
- (4) Kupuna care services;
- (5) Catholic Charities, Inc., Kapahulu and Moiliili Senior Centers, and the Waikiki Community Center;
- (6) The Developmental Disabilities Medicaid Waiver Program;
- (7) Mental health services;
- (8) The Partnerships in Community Living program;
- (9) Direct health care to the uninsured, that may include primary medical, dental, and behavioral health care;
- (10) Substance abuse treatment; and
- (11) The Healthy Aging Partnership program.

Your Committee received two hundred written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that difficult economic times and declining tax revenues have resulted in budget cuts for all state services, jeopardizing the safety net of basic human services, health, and education needs for Hawaii's residents and families. Your Committee also finds that expenditures from the emergency and budget reserve fund are necessary to meet the conditions of emergency, economic downturn, and unforeseen reduction in revenues that the State currently faces. Your Committee believes that this measure will provide much needed support in maintaining the levels of programs determined to be essential to education, public health, and welfare, especially for some of Hawaii's most vulnerable population.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated out of the emergency and budget reserve fund to provide funding for grants pursuant to chapter 42F, Hawaii Revised Statutes, from \$682,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1679, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1679, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Kokubun).

**SCRep. 690 Ways and Means on S.B. No. 1666**

The purpose of this measure is to continue supporting social service programs with Temporary Assistance for Needy Families funds while maintaining an adequate reserve of funds for future expenditures.

Your Committee received ten written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds Temporary Assistance for Needy Families funds are a critical part of the safety net for families in Hawaii. Your Committee further finds that in these difficult economic times, it is important to continue supporting essential health, education, employment, and economic assistance to families in need.

Your Committee amended this measure by:

- (1) Adding Public Law references to the new federal stimulus package, the American Recovery and Reinvestment Act of 2009;
- (2) Changing the effective date to July 1, 2010, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1666, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1666, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 691      Ways and Means on S.B. No. 1345**

The purpose of this measure is to provide fair compensation and an automatic lease extension to protect a lessee's interest in state land that is withdrawn, taken, or condemned and prevents the lessee from using the land as originally intended.

Your Committee received eight written comments on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that the Saddle Road widening project in the county of Hawaii, is a good example of a taking of leased land with inadequate compensation for the lessee. In that project, the Department of Land and Natural Resources established conservation easements on leased land used for pasture or special livestock. As a result of the taking, the lessee ranchers suffered serious financial losses over an extended period of time. The intent of this measure is to prevent similar situations as the Saddle Road project from occurring in the future and to properly compensate affected lessees.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2010, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1345, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1345, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 692      Ways and Means on S.B. No. 1665**

The purpose of this measure is to enhance the training capacity of the State's community colleges so that they can meet the rapidly evolving needs of employers and employees.

More specifically, this measure:

- (1) Establishes a skilled worker and business development center at each community college; and
- (2) Appropriates federal Reed Act funds to the Department of Labor and Industrial Relations, to be expended in conjunction with the University of Hawaii, to establish each skilled worker and business development center.

Your Committee believes that the State's community colleges can play a critical role in the economic recovery and revitalization of the State. Your Committee finds that community colleges are at the forefront of workforce training and are poised to help employees and employers prepare for changes in the workplace.

Your Committee has amended this measure by:

- (1) Clarifying that its focus is "workforce development" rather than merely "workforce training";
- (2) Specifying what programs, at a minimum, shall be offered at each workforce development center;
- (3) Clarifying that the University of Hawaii is authorized to expend other appropriated funds and generated revenues to the extent that federal law limits the expenditure of Reed Act funds for the purpose set forth in this measure;
- (4) Specifying the contents of the first annual report to the Legislature to be submitted by the skilled worker and business development center in 2010, regarding establishment of the center, center development plans, funding options, and recommendation for center programs;
- (5) Changing the amount appropriated to an unspecified amount;
- (6) Changing the date to July 1, 2010, to facilitate further discussion of the matter;

(7) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1665, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1665, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 693 Ways and Means on S.B. No. 1118**

The purpose of this measure is to reduce the period over which state low-income housing tax credits are taken from ten years to five years.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the low-income housing tax credit program promotes the development and rehabilitation of low-income rental housing through the use of federal and state low-income housing tax credits. Currently, there is a shortage of affordable housing in the State.

Your Committee believes that because of the limited market for state credits and the current financial climate, owner developers are having difficulty selling their state low-income housing tax credits. Amending the period over which state low-income housing tax credits are taken from ten years to five years would increase the present value of the credits when sold to investors, provide a more attractive financing incentive to potential developers of affordable rental housing, and help ease the affordable housing shortage.

Your Committee has amended the measure's effective date to January 1, 2110, to facilitate further discussion. In addition, technical nonsubstantive changes were made for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1118, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1118, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 694 Ways and Means on S.B. No. 1126**

The purpose of this measure is to authorize the executive, judicial, and legislative branches to establish a voluntary job-sharing program.

More specifically, this measure authorizes the executive branch, the judicial branch, the legislative reference bureau, the office of the auditor, and the office of the ombudsman to establish voluntary job-sharing programs for their permanent, full-time employees.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that flexible employment opportunities are needed to meet changing social and economic conditions in Hawaii. Your Committee also finds that job-sharing is a feasible, desirable, and cost-effective work arrangement that provides employees with flexibility, decreases worker turnover and absenteeism, increases worker productivity, and improves worker morale. Your Committee believes that this measure will encourage state agencies to examine appropriate uses of job-sharing as a means of improving government operations and retaining qualified employees.

Your Committee has amended this measure by:

- (1) Amending the definition of the term "job-sharing" by removing all instances of the phrase "one-half" and replacing it with an unspecified portion of the total number of monthly work hours required and the salary and benefits received;
- (2) Changing the effective date to January 1, 2090, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1126, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1126, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 695 Ways and Means on S.B. No. 1633**

The purpose of this measure is to authorize the Department of Budget and Finance to issue special purpose revenue bonds, in an amount not to exceed \$20,000,000, for the purpose of assisting EPOD, Inc. with the planning, design, construction, equipping, and operating of a solar panel manufacturing plant and solar farm power plant on the island of Oahu and other islands throughout the State.

Your Committee finds that the development of solar energy technology represents a clean, renewable source of electricity. Your Committee believes that the issuance of special purpose revenue bonds to assist EPOD, Inc. in the development of renewable energy projects on Oahu will support the renewable energy goals of the State.

Your Committee has amended this measure by:

- (1) Changing the amount of special purpose revenue bonds being issued from \$20,000,000 to an unspecified amount;
- (2) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure; and
- (3) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1633, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1633, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (English, Kokubun).

**SCRep. 696            Ways and Means on S.B. No. 1094**

The purpose of this measure is to establish a pilot program to create and fund patient-centered health care homes.

Specifically, this measure:

- (1) Directs the Department of Health to establish the patient-centered health care homes pilot project in fiscal years 2009-2010 and 2010-2011 to provide primary health care funding to federally qualified health centers;
- (2) Establishes a three-tiered fee-for-service system for providing uninsured services and establishes health data reporting requirements appropriate to each level of service;
- (3) Requires the Department of Health to submit to the Legislature an interim report and a final report on the outcome of the pilot projects, and along with a recommendation of whether to continue the project; and
- (4) Appropriates moneys for the pilot program, provided that only moneys received by the State pursuant to the federal American Recovery and Reinvestment Act of 2009 may be expended for purpose of this measure.

Your Committee finds that patient-centered health care homes have been found to provide improved health care outcomes by taking a holistic approach to health care. Instead of providing episodic treatment, these centers focus on comprehensive health care that emphasizes preventative medicine, integration and coordination of patient care, continuous data collection and reporting, and timely access to care that overcomes economic and cultural barriers. Your Committee finds that these centers provide a variety of "enabling" services that include transportation, counseling outreach, health education, and case management, that, when taken as a whole, form a comprehensive approach to patient wellness. Your Committee further finds that federally-qualified community health centers in medically underserved areas or which serve medically underserved populations have adopted an appropriate model for a patient-centered health care home that provides the services described.

Your Committee believes that this approach to providing health care may prove effective in providing quality public health care services to underserved communities in Hawaii. Accordingly, your Committee finds that providing funding to federally qualified community health centers to establish the patient-centered health care homes pilot project may yield positive results in improving the overall health of Hawaii's residents.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1094, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1094, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 697            Ways and Means on S.B. No. 972**

The purpose of this measure is to ensure that cash-based businesses operating in Hawaii are paying their proper share of taxes by providing the Department of Taxation with an additional tool to seek compliance from non-compliant businesses.

Specifically, the measure empowers the Department of Taxation to:

- (1) Coordinate with the Department of Commerce and Consumer Affairs on requiring a general excise tax clearance prior to license issuance or renewal for certain regulated industries;
- (2) Coordinate with federal agencies and procurement officers to require general excise tax clearances on federal construction jobs; and
- (3) Coordinate with unions and federal agencies on database and intelligence sharing, along with cooperative auditing of construction work sites for compliance with general excise tax reporting and income tax withholding requirements.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that this measure will identify cash-based industries and businesses in Hawaii that are susceptible to evading the payment of income, general excise, withholding, and employment taxes. Your Committee believes that this will allow the Department of Taxation to focus its audit resources on those industries and recapture tax revenues that previously went uncollected.



Your Committee amended this measure by:

- (1) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure; and
- (2) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 972, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 972, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 698      Ways and Means on S.B. No. 698**

The purpose of this measure is to increase the rental motor vehicle surcharge tax and the tour vehicle surcharge tax by an unspecified amount.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the rental motor vehicle surcharge tax and the tour vehicle surcharge tax need to be increased to accommodate the growing cost of maintaining roads and highways in the State. While your Committee is reluctant to raise these surcharge taxes, your Committee is also cognizant of the current fiscal crisis and believes that these increases are necessary.

Your Committee has amended this measure by changing the effective date to July 1, 2070, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 698, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 698, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 699      Ways and Means on S.B. No. 690**

The purpose of this measure is to allow the movement of permanent civil service employees between the state, county, and federal governments under certain conditions.

Your Committee received one written comment on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that the provisions of this measure were previously codified in section 76-36, Hawaii Revised Statutes, but were later repealed. Currently, intergovernmental temporary exchanges and movements are allowed for public service employees. Your Committee believes that this measure is consistent with that policy and will facilitate the movement of civil service employees among government agencies and restore the rights, benefits, and privileges that were previously provided to them.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 690, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 690, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 700      Ways and Means on S.B. No. 512**

The purpose of this measure is to change the ethanol facility tax credit to the biofuel facility tax credit.

Biofuel refers to ethanol or biodiesel produced from renewable, organic feedstock, or waste materials, including fats, oils, grease, and municipal solid waste.

This measure also changes the amount of the biofuel facility tax credit from thirty per cent of the qualified biofuel facility's nameplate capacity to 40 cents per gallon if the nameplate capacity is greater than 500,000 gallons but less than 15,000,000 gallons. This measure further requires that the nameplate capacity be determined by the facility owner and not exceed the amount of production actually recorded during a consecutive seven-day period multiplied by fifty-two.

Your Committee finds that the ethanol facility tax credit has not yet been used and believes that the expansion of the tax credit to biofuels will encourage local companies to utilize this dormant credit to reduce the State's dependence on imported oil and increase the amount of renewable energy in the State.

Your Committee has amended this measure by:

- (1) Adding a requirement that the qualifying biofuel production facility be located within the State and utilize locally grown feedstock for at least seventy-five per cent of its production output; and
- (2) Changing the effective date to July 1, 2090, and the application of the tax credit to taxable years beginning after December 31, 2089, to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 512, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 512, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 701            Ways and Means on S.B. No. 393**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in the amount of \$40,000,000 to assist One Planet Pacific Energy, LLC.

One Planet Pacific Energy, LLC, proposes to construct a five hundred ton per day gasification facility to convert solid waste into synthetic gas utilizing material solid waste from the construction and demolition solid waste landfill in Nanakuli on Oahu.

Your Committee believes that One Planet's proposed gasification project will bring significant benefits to Hawaii by using materials that are currently taking up valuable landfill space and converting them into a source of renewable energy through its synthetic gas production.

Your Committee has amended this measure by;

- (1) Changing the authorized amount of special purpose revenue bonds to be issued to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 393, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 393, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 702            Ways and Means on S.B. No. 391**

The purpose of this measure is to authorize issuance of special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning district cooling project in downtown Honolulu.

Your Committee finds that Honolulu Seawater Air Conditioning, LLC, proposes to build a seawater air conditioning district cooling system on Oahu that uses cold, deep seawater as its primary cooling source. The issuance of special purpose revenue bonds will make the development of the seawater air conditioning system more economically feasible. Your Committee also finds that the project will provide numerous benefits, including:

- (1) Providing customers with reduced and stable cooling costs;
- (2) Using an abundant, infinite, sustainable energy resource - cold, deep seawater - to provide more than ninety per cent of the cooling load;
- (3) Eliminating the need for cooling towers and, as a result, reducing potable water use, toxic chemical use, and the production of sewage;
- (4) Greatly reducing the use of harmful chemicals (refrigerants) used in conventional cooling systems;
- (5) Potentially providing energy savings of seventy per cent, or more, compared to conventional air conditioning systems;
- (6) Having lower operating and maintenance costs than individual building air conditioning systems;
- (7) Eliminating the need for up to 0.63 kilowatts of electricity generation capacity for each ton of cooling capacity;
- (8) Potentially generating millions of dollars in construction project spending and creating construction jobs and a significant number of long-term, well-paid jobs;
- (9) Reducing the export of money from Hawaii's economy for oil and retaining that money in the local economy to support local economic development; and
- (10) Helping the State, City and County of Honolulu, and federal government to meet goals and mandates for energy efficiency and renewable energy use.

Your Committee amended this measure by:

- (1) Changing the authorized amount of special purpose revenue bonds to be issued to an unspecified amount;
- (2) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 391, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 391, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 703      Ways and Means on S.B. No. 37**

The purpose of this measure is to provide a general excise tax exemption for the sale of liquid fuels for certain intra-county ferry services.

Specifically, this measure exempts from the general excise tax the value or gross proceeds arising from the sale of liquid fuel consumed in the operation of an intra-county ferry service that serves a county with a population of less than 500,000 and that includes at least three islands inhabited by permanent residents.

Your Committee finds that the recent introduction of inter-island ferries has fostered competition commercially between transportation companies and provided the traveling public with reasonable fares and the ability to spread economic activity across the island chain. Although not as glamorous and publicized as inter-island ferries, intra-county ferries have also served a distinct function in rural communities, such as West Maui and Lanai. Intra-island ferries have provided service for passengers who are faced with limited modes of transportation. This measure provides a modest tax exemption to support intra-island ferries that provide needed transportation services in underserved areas of the State.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion and by making technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 37, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 37, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 5 (Galuteria, Hee, Kidani, Kokubun, Tsutsui).

**SCRep. 704      Ways and Means on S.B. No. 537**

The purpose of this measure is to establish an Aerospace Advisory Committee to assist the Legislature and state agencies in development of the aerospace industry in the State.

This measure establishes the Aerospace Advisory Committee within the Office of Aerospace Development of the Department of Business, Economic Development, and Tourism for administrative purposes and specifies the committee's membership. The Committee's purpose is to advise and assist in the aerospace development by:

- (1) Tracking state, national, and global trends and priorities in aerospace development;
- (2) Assisting in identifying and promoting opportunities to expand and diversify aerospace development and aerospace-related industries in this State;
- (3) Supporting the Office of Aerospace Development's effort in networking with national and international aerospace agencies, institutions, and organizations to develop public-private partnerships;
- (4) Recommending innovative scientific, educational, and economic strategies and government and education policies; and
- (5) Appointing temporary working groups to assist the office of aerospace development in research and analysis activities.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the establishment of an aerospace advisory committee will help to facilitate the growth and development of the aerospace industry in Hawaii.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion and by making technical nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 537, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 537, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 705      Ways and Means on S.B. No. 392**

The purpose of this measure is to extend the authorization to issue special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning/thermal energy storage district cooling systems on Oahu.

Your Committee finds that the seawater air conditioning district cooling system project will serve more than fourteen million square feet of buildings in the downtown Honolulu area. This large project involves many lengthy steps, including obtaining an environmental impact assessment, permitting, system design, system engineering, and customer design, and has led to the need for the extension of the authorization to issue these special purpose revenue bonds. Your Committee further finds that Honolulu Seawater Air Conditioning, LLC, is committed to completing this renewable energy project.

Your Committee amended this measure by changing the effective date to July 1, 2070, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 392, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 392, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 706            Ways and Means on S.B. No. 360**

The purpose of this measure is to allow home schooled children to participate in extracurricular activities at the public school that they would otherwise be required to attend.

Your Committee received one written comment on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that this measure would provide home schooling families the option of allowing their children to participate in sports and other activities offered to students enrolled in public schools. Your Committee believes that this opportunity could be of benefit to both participating home schooled children and the public school programs, as well.

Your Committee amended this bill by:

- (1) Changing the effective date to January 1, 2090 to facilitate further discussion on the measure; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 360, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 360, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 707            Ways and Means on S.B. No. 521**

The purpose of this measure is to enable the counties to track real property transactions in the Bureau of Conveyances to more accurately determine real property tax assessments.

Specifically, this measure requires the registrar of the Bureau of Conveyances to provide, on a weekly basis, to the administrator of the Real Property Assessment Division of the City and County of Honolulu, an image and index of all instruments and documents relating to land in all counties that were recorded in the registrar's office during the previous week. The administrator of the Real Property Assessment Division of the City and County of Honolulu is required to provide the relevant images and indexes, free of charge, to the other counties as appropriate.

Your Committee finds that the Bureau of Conveyances has access to information on all real property transactions statewide, and as such, has the ability to provide timely and accurate real property information.

Your Committee further finds that requiring the State to provide up-to-date reports of real property recordations to the counties will enable the counties to provide more accurate and timely real property tax assessments. Your Committee also believes that the weekly reports required by this measure will assist the counties in maintaining accurate records of ownership and encumbrances and in providing prompt public notice of zoning and land use changes.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 521, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 521, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 708            Ways and Means on S.B. No. 623**

The purpose of this measure is to expand the Adjutant General's authority to award tuition assistance to Hawaii National Guard members at the University of Hawaii.

Specifically, this measure removes the restriction that tuition assistance to commissioned officers may only be given to those officers that fall in grades 01 (second lieutenant) through 03 (captain) and prioritizes assistance to undergraduate students.

This measure also appropriates funds to the Department of Defense to provide tuition assistance to National Guard members enrolled in degree programs within the University of Hawaii system.

Your Committee finds that this measure will provide the Hawaii National Guard with a very valuable incentive for recruiting and retaining highly trained soldiers and airmen capable of performing their federal and state missions.

Your Committee has amended this measure by changing the effective date to July 1, 2090, for purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 623, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 623, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 709            Ways and Means on S.B. No. 1315**

The purpose of this measure is to transfer the Division of Conservation and Resources Enforcement from the Department of Land and Natural Resources to the Department of Public Safety.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that transferring the duties of the Division of Conservation and Resources Enforcement from the Department of Land and Natural Resources to the Department of Public Safety consolidates various law enforcement functions within the Department of Public Safety. Your Committee believes that this consolidation will contribute to economic savings for the State and more effective enforcement of Hawaii's natural resources laws and conservation programs.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1315, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 710            Ways and Means on S.B. No. 1614**

The purpose of this measure is to allow moneys in the passenger facility charge special fund to be used for paying debt service on bonds issued to finance airport capital improvement projects and for any purpose permitted by the Aviation Safety and Capital Expansion Act of 1990.

Specifically, this measure requires moneys in the passenger facility charge special fund to be used to:

- (1) Make the required payments of the principal of and interest on all revenue bonds issued for the undertaking or loan program, including the payment of all revenue bonds and interest that are payable from the revenue or user taxes; and
- (2) Carry out the covenants authorizing the issuance of the revenue bonds as to the minimum amounts of revenue to be produced by the undertaking or loan program for which the revenue bonds are issued.

Your Committee finds that this measure allows the Department of Transportation to create subaccounts within the passenger facility charge special fund to pay debt service on bonds issued to finance airport capital improvement projects.

Your Committee has amended this measure to change the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1614, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1614, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 711            Ways and Means on S.B. No. 1334**

The purpose of this measure is to establish the Museum for Hawaiian Music and Dance.

Specifically, the measure:

- (1) Authorizes the State Foundation on Culture and the Arts, in coordination with the Department of Accounting and General Services, to contract with a nonprofit entity to develop, operate, and manage the museum;
- (2) Appropriates funds from the State's general revenues to finance the design and environmental assessment of the museum; and
- (3) Authorizes the issuance of general obligation bonds to finance the construction of the museum and ancillary facilities.

Your Committee finds that the music, dance, and art representative of Hawaiian culture and heritage should be preserved for the benefit of the people of Hawaii, as well as the people of the world who visit Hawaii. Your Committee believes that investment in this project will benefit the State for generations to come. Your Committee also recognizes that concerns have been raised that the troubled economic conditions that Hawaii currently faces make this a difficult time to consider large expenditures of general funds.

Your Committee has amended this measure by:

- (1) Removing the authorization to issue general obligation bonds;
- (2) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1334, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1334, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 712 Ways and Means on S.B. No. 1276**

The purpose of this measure is to make various administrative and technical amendments to the Small Business Regulatory Flexibility Act, chapter 201M, Hawaii Revised Statutes.

Specifically, the measure amends the Small Business Regulatory Flexibility Act by:

- (1) Clarifying the role of the Small Business Regulatory Review Board in determining the impact of actions by state and county agencies on small businesses;
- (2) Adding definitions of “county” and “State”;
- (3) Amending the definitions of “affected small businesses” and “agency”;
- (4) Increasing the number of Board members from eleven to thirteen;
- (5) Removing the restriction that the chairperson shall serve a term of not more than one year;
- (6) Codifying the small business bill of rights from Act 230, Session Laws of Hawaii 2008, section 2; and
- (7) Making other non-substantive changes.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature’s website.

Your Committee finds that this measure will clarify the rights of small businesses in Hawaii and will provide guidance on the meaning of various terms that impact the operation of small businesses in Hawaii. In addition, codifying the small business bill of rights will make it more readily accessible.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2090, to facilitate further discussion on the measure; and
- (2) Making technical, nonsubstantive amendments for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1276, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1276, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 713 Ways and Means on S.B. No. 1258**

The purpose of this measure is to facilitate the growth of renewable energy in the State.

Specifically, this measure:

- (1) Clarifies the renewable energy portfolio standards by providing that, beginning in 2015, electrical energy savings shall not count towards renewable energy portfolio standards;
- (2) Revises the requirements of the renewable portfolio standards for electric utilities by increasing the 2020 standard to twenty-five per cent and establishing a forty per cent standard to be met by 2030;
- (3) Revises the requirements of the renewable portfolio standards study in order to reevaluate the renewable energy portfolio standards;
- (4) Authorizes the Public Utilities Commission to eliminate the limit on the percentage of system electricity produced by eligible customer-generators;
- (5) Directs the energy resources coordinator to develop programs and incentive plans for renewable energy resources;
- (6) Amends the definition of a “qualified business” for purposes of state enterprise zones to include an entity engaged in the development or production of specific alternative or renewable energy resources;
- (7) Clarifies the permitting duties of the renewable energy facilitator;
- (8) Allows qualifying biofuel facilities and electricity production facilities to apply to the energy resources coordinator to be designated as a renewable energy facility;
- (9) Allows renewable energy facility permits to be deemed approved if a permitting agency does not act on the applicable permit; and
- (10) Appropriates \$1,000,000 out of the renewable energy facility siting special fund in each of fiscal years 2009-2010 and 2010-2011 for the purposes of the renewable energy facility siting special fund.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that developing renewable energy resources for the generation of electricity will help to reduce Hawaii's dependence on imported fossil fuel sources. Your Committee further finds that this measure combines a variety of strategies to encourage renewable energy development and facilitate the transition from fossil fuels to alternative energies. Your Committee believes that this measure is a first step toward enabling Hawaii to achieve the goal of using renewable energy resources to meet seventy per cent of its energy demand by 2030.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1258, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 714      Ways and Means on S.B. No. 1680**

The purpose of this measure is to establish the Hawaii Broadband Commissioner to implement recommendations of the Hawaii Broadband Task Force.

Specifically, this measure:

- (1) Establishes the Hawaii Broadband Commissioner within the Department of Commerce and Consumer Affairs;
- (2) Transfers regulatory functions relating to telecommunications providers and telecommunications services from the Public Utilities Commission to the Hawaii Broadband Commissioner;
- (3) Transfers regulatory functions relating to cable operators from the Department of Commerce and Consumer Affairs to the Hawaii Broadband Commissioner;
- (4) Requires a cable operator to designate five or more channels for public, educational, or governmental use;
- (5) Authorizes the Hawaii Broadband Commissioner to adopt rules relating to the designation of public, educational, or governmental (PEG) access organizations;
- (6) Clarifies the status of ownership of PEG access organization assets;
- (7) Establishes the commissioner special fund to be administered by the Hawaii Broadband Commissioner, to fund the operations and programs of the Hawaii Broadband Commissioner;
- (8) Requires the transfer of four existing positions from the Cable Television Division of the Department of Commerce and Consumer Affairs and ten positions from the Department of Commerce and Consumer Affairs to be transferred to the Hawaii Broadband Commissioner;
- (9) Requires the Hawaii Broadband Commissioner to convene a work group to develop procedures for streamlined regulatory, franchising, and permitting for broadband service and technology and requires the work group to report its findings to the Legislature;
- (10) Requires the Legislative Reference Bureau to review Hawaii laws relating to broadband and related subjects and recommend amendments of these laws to conform to the new Hawaii Broadband Commissioner law or to facilitate implementation of that law; and
- (11) Takes effect on January 1, 2050.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that communications technologies of telecommunications, cable, and broadband have become increasingly intertwined, such that advances in any one technology have important ramifications for the others. Your Committee further finds that a unified approach to regulating providers of these services is required. Your Committee finds that this measure will enable the consolidated regulation of cable and telecommunications while promoting the growth and development of broadband infrastructure throughout the State. Your Committee believes that expanded access to affordable broadband will facilitate greater economic and educational opportunities for individuals and businesses in the State.

Your Committee has amended this measure by:

- (1) Specifying that expenditures of cable franchise fee revenues by PEG access organizations shall not be subject to chapter 103D and revenues derived from cable franchise fees are not appropriations or funds of the State;
- (2) Authorizing the Hawaii Broadband Commissioner to apply for and receive federal moneys under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, and other applicable federal acts, for the purposes of developing broadband projects;

- (3) Designating the Hawaii Broadband Commissioner as the entity responsible for preparing broadband inventory maps as described in the American Recovery and Reinvestment Act of 2009 and the Broadband Data Improvement Act;
- (4) Appropriating an unspecified amount from the federal funds subaccount of the commissioner special fund to be used for broadband projects; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1680, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1680, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 715            Ways and Means on S.B. No. 540**

The purpose of this measure is to establish a residential drug abuse program for the treatment and reintegration of nonviolent inmates based upon the community transitional phase of the Bureau of Prisons residential drug abuse program.

This measure would also:

- (1) Increase the number of transition beds in module nineteen at the Oahu Community Correctional Center; and
- (2) Provide for a reduction of an inmate's minimum term upon successful completion of the residential drug abuse program.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the establishment of a community transitional program for nonviolent offenders will reduce the cost of incarceration. Your Committee believes that participation in an in-facility residential drug abuse program will decrease the likelihood of recidivism and drug abuse relapses.

Your Committee has amended this measure by:

- (1) Deleting provisions that would increase the number of transition beds at module nineteen at the Oahu community correctional center; and
- (2) Making technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 540, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 716            Ways and Means on S.B. No. 1107**

The purpose of this measure is to merge the Condominium Management Education Fund and the Condominium Education Trust Fund.

Your Committee finds that the Condominium Management Education Fund and the Condominium Education Trust Fund require the Real Estate Commission to administer two separate education funds causing a duplication of effort and a waste of time, money, and resources. This measure resolves the inadvertent retention of both funds by repealing the Condominium Management Education Fund and retaining the Condominium Education Trust Fund.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1107, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1107, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 717            Ways and Means on S.B. No. 1226**

The purpose of this measure is to change the percentage of the transient accommodations tax that is deposited into the tourism special fund.

More specifically, this measure changes the percentage of the transient accommodations tax that is deposited into the tourism special fund from 34.2 per cent to an unspecified percentage.

Your Committee received fifteen written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that, in these difficult economic times, many concerns have been raised regarding the availability of funds to support the visitor industry. In light of these concerns, your Committee has amended this measure by changing the effective date to July 1, 2090, to facilitate further discussion on the measure.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1226, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1226, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Tsutsui).

**SCRep. 718 Ways and Means on S.B. No. 877**

The purpose of this measure is to protect the State's underground utility infrastructure by repealing the sunset date of the One Call Center pilot program.

Your Committee received five written comments on the measure. Written comments are available for review on the Legislature's website.

Your Committee finds that the One Call Center program provides advanced warning to excavators of the location of underground utility lines before they begin excavation. This mandatory "Call Before You Dig" program provides excavators with a single telephone number to locate and mark underground lines, including but not limited to electricity, gas, telecommunications, cable, water, and sewer facilities. Your Committee believes that repealing the sunset date will allow the program to reduce or eliminate interruptions in the provision of underground utility service in the State.

Your Committee has amended this measure by changing the effective date to June 29, 2009, to ensure that the measure becomes effective before the One Call Center program is repealed on June 30, 2009.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 877, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 877, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 719 Ways and Means on S.B. No. 1310**

The purpose of this measure is to establish a region-specific federal, medical home health care demonstration project for the Waimanalo and Waianae areas on the island of Oahu.

More specifically, this measure will provide culturally-sensitive and community-based services, including integrated behavioral services, which are vital to the populations they serve. The Waianae Coast Comprehensive Health Center portion is funded solely by funds deposited into the general fund pursuant to the American Recovery and Reinvestment Act of 2009.

Your Committee received four written comments on the measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that this federal demonstration project will allow patients in Waimanalo and Waianae, two areas on the island of Oahu with underserved populations, to receive culturally-sensitive, community-based, and patient-centered services through the medical home health care project. Your Committee believes that the demonstration project is both an effective way to use federal funds for services provided through alternative providers and a safety net for the State's most vulnerable populations, such as the elderly, blind, and disabled.

Your Committee has amended the measure by changing the effective date to July 1, 2049, to facilitate further discussion and by making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1310, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1310, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 720 Ways and Means on S.B. No. 1611**

The purpose of this measure is to provide revenue for highway modernization projects.

Specifically, the measure:

- (1) Increases the state liquid fuel tax, state vehicle registration fee, state vehicle weight fee, and rental motor vehicle surcharge tax;
- (2) Creates the land transportation modernization special fund;
- (3) Provides funding for a six-year comprehensive modernization program;
- (4) Authorizes the implementation of one or more pilot programs to test alternatives to current state and county system of motor vehicle fuel taxes; and
- (5) Requires the Department of Transportation to implement the vehicle miles traveled pilot program.

Your Committee received eight written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Department of Transportation to fulfill its critical infrastructure responsibilities by providing it with the necessary resources to meet its increasingly challenging program needs.

Your Committee has amended this measure by:

- (1) Changing all amounts of increases in fees and taxes and all appropriation amounts to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1611, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1611, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 721            Ways and Means on S.B. No. 1218**

The purpose of this measure is to repeal the present licensing law on mortgage brokers and solicitors and replace it with a licensing law on mortgage brokers and loan originators.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is based upon a model Act prepared by the Conference of State Bank Supervisors and The American Association of Residential Mortgage Regulators. Your Committee finds that unless this model Act is enacted, the State's right to regulate the mortgage industry may be forfeited to the federal government pursuant to the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. Your Committee believes that it is in the State's best interests to maintain its rights to regulate the mortgage industry.

Your Committee has amended this measure by making technical amendments for the purposes of clarity and style and by changing the effective date to July 1, 2090 to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1218, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1218, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kokubun, Hemmings).

**SCRep. 722            Ways and Means on S.B. No. 160**

The purpose of this measure is to provide the Department of Education with the flexibility to adjust school meal prices to account for rising costs of providing school meals.

Specifically, this measure:

- (1) Authorizes the Department of Education to set school meal prices at a rate of not less than one-half of the cost of preparing the meals, based upon the previous year's costs; and
- (2) Adds a definition of "school meals" to include both breakfast and lunch.

Your Committee finds that the cost of preparing school meals is affected by the rising costs of fuel, food, and labor. Your Committee further finds that as these costs rise, the Department of Education will require the flexibility to adjust the prices of school lunches accordingly. Your Committee believes that this measure will afford the department the flexibility to compensate for rising costs and avoid the possibility of having to divert funds from other educational programs to pay for school meals.

Upon further consideration, your Committee has amended this measure to clarify its intent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 160, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 723            Ways and Means on S.B. No. 1137**

The purpose of this measure is to authorize the Hawaii Health Systems Corporation to conduct criminal history record checks through the Hawaii Criminal Justice Data Center and the Federal Bureau of Investigation on all persons employed or seeking employment with the corporation, current and prospective contactors, volunteers, and providers.

Your Committee received one written comment on the measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that due to a shortage of health care workers, the Hawaii Health Systems Corporation has recruited more out-of-state candidates for public health positions and services. Currently, only in-state criminal record checks are being conducted. Your

Committee believes that this measure will enable both in-state and out-of-state criminal record checks to be conducted in an efficient and effective manner for the protection and safety of individuals treated and cared for within the Corporation's facilities.

Your Committee has amended the measure by changing the effective date to January 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1137, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1137, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 724 (Majority) Commerce and Consumer Protection on S.B. No. 1344**

The purpose of this measure is to require the Department of Human Services to include in its request for proposals for QUEST providers various provisions to safeguard against disruption of services that may be caused by positive enrollment.

Testimony in support of this measure was submitted by AlohaCare, Hawaii Primary Care Association, Waikiki Health Center, and Waimanalo Health Center. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Human Services' positive enrollment policy requires a QUEST recipient to reenroll in the recipient's health plan within ten days of its expiration, or the Department automatically assigns the individual to a health plan, which may or may not be the recipient's existing plan.

Your Committee has heard that these positive enrollment requirements cause confusion and delays in needed health care procedures, disrupt case management, and result in the loss of contact between QUEST recipients and their current primary care providers. Advocates of the policy, however, cite positive enrollment as a means of increasing competition among service providers, lowering the cost of healthcare overall, allowing for new plans to enter into the market, and expanding the scope of services provided to QUEST recipients.

Your Committee finds that this measure strikes a balance between the benefits of positive enrollment and the potential adverse consequences of the policy by allowing the Department of Human Services to implement the policy with limitations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1344 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 1 (Hemmings). Excused, 1 (Green).

**SCRep. 725 Health on S.B. No. 243**

The purpose of this measure is to encourage the recycling of bottles and cans by requiring retailers of a certain size to take back the bottles and cans that they sell.

Specifically, this measure requires retail dealers with more than seventy-five thousand square feet of retail space to operate redemption centers.

Your Committee received testimony in support of this measure from the Sierra Club, Hawaii Chapter. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Deposit Beverage Container Program in Hawaii, though it has been very successful, could be improved by making it more convenient for consumers to recycle their bottles and cans. Your Committee further finds that several states, including California, New York, Oregon, Massachusetts, Connecticut, Michigan, Iowa, and Delaware all have similar "take back" requirements in their bottle laws.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 243 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 726 (Majority) Judiciary and Government Operations on S.B. No. 56**

The purpose of this measure is to encourage establishments to comply with the smoking prohibition that was established by the Legislature in 2006 by:

- (1) Requiring county liquor commissions, within their respective counties, to condition the granting, renewal, refusal, suspension, or revocation of liquor license upon:
  - (A) A showing of satisfactory proof of compliance with the no smoking signage requirements; and
  - (B) An absence of a verified complaint filed against the licensee for violation of the smoking law.
- (2) Conferring authority upon the liquor commissions to issue summons or citations for violation of the smoking law; and
- (3) Increasing penalties for violations.

Your Committee finds that this measure would enhance the enforcement of the smoking law since bars, nightclubs, restaurants, and other business establishments are common places for smoking. However, your Committee is concerned that the liquor commissions lack sufficient resources for adequate enforcement.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 56, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 1 (Bunda).

**SCRep. 727      Judiciary and Government Operations on S.B. No. 101**

The purpose of this measure is to allow the county agencies responsible for taxicab regulation to conduct criminal history records checks on taxicab drivers and applicants for taxicab driver's certificates.

Your Committee finds that taxicab drivers interact on a personal basis with each customer. Your Committee is concerned that such interaction may pose a risk to the public if the taxicab driver has a criminal record, such as a conviction for a crime involving physical or sexual assault. This measure addresses the problem by allowing the county agency responsible for taxicab regulation to access the criminal history of taxicab drivers and applicants for taxicabs driver certificates.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 101, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 728      Judiciary and Government Operations on S.B. No. 358**

The purpose of this measure is to prohibit the use of civil defense, emergency, or disaster relief powers during any civil defense emergency period or time of national emergency or crisis to:

- (1) Seize or confiscate firearms or ammunition from a person who has a lawful permit and is lawfully carrying, possessing, or using the firearm or ammunition; or
- (2) Suspend, revoke, or limit any lawfully acquired and maintained firearm permit or license.

This measure would allow a person, that has obtained a valid permit to carry a firearm or ammunition, to use a firearm or ammunition in a lawful manner to protect themselves, their family, and property during an emergency, civil crisis, or natural disaster.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 358, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 729      Judiciary and Government Operations on S.B. No. 931**

The purpose of this measure is to grant the Department of Health authority to demand entry onto any premises, public or private, when the Director of Health finds that reasonable cause exists to secure or collect samples necessary for an epidemiologic investigation, based on a threat to the public health and safety.

Additionally, this measure:

- (1) Defines and limits the scope of such administrative investigations;
- (2) Addresses the liability of authorized representatives of the Department of Health and police officers in conducting the administrative investigations;
- (3) Provides for the obtaining of consent from the affected property owner and procedures for obtaining an administrative investigation warrant if consent is denied; and
- (4) Authorizes the Director of Health to adopt rules to, among other things, establish administrative remedies, notice requirements, and penalties.

The interruption, containment, and prevention of outbreaks of dangerous diseases depend on timely epidemiological investigations that often include the collection of samples to determine the source and track the spread of the disease. One of the most common reasons for the Department of Health to conduct an epidemiologic investigation is the outbreak of food borne disease, such as *E. coli* or salmonella. However, such investigations have been impeded by individuals who fail to cooperate with the Department. This measure remedies the situation by ensuring timely access to samples needed for these investigations to ensure that the public health will not be compromised.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 931, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Bunda).

**SCRep. 730      Judiciary and Government Operations on S.B. No. 1128**

The purpose of this measure is to repeal the sunset date on the prohibition against stealing beer kegs.

Current law establishing a misdemeanor offense for the theft of beer kegs and imposing certain record-keeping requirements on scrap metal dealers includes a provision to repeal the Act creating the law on July 1, 2009. This measure repeals that expiration date to ensure that theft of a beer keg remains a misdemeanor offense and preserves the record-keeping requirement.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1128 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 731      Judiciary and Government Operations on S.B. No. 1311**

The purpose of this measure is to exempt the University of Hawaii from any law that requires a permit or application to carry out repair and maintenance of the Hawaii Marine Laboratory Refuge.

This measure also allows the University of Hawaii to use Department of Land and Natural Resources staff for purposes of enforcing security at the Hawaii Marine Laboratory Refuge.

The Hawaii Institute of Marine Biology manages the Hawaii Marine Laboratory Refuge, located on Coconut Island in Kaneohe Bay. Your Committee finds that the Institute should be exempted from some of the costs associated with permits and applications to do repairs and maintenance to maintain the health of its employees and the safety of the facilities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1311, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 732      Ways and Means on S.B. No. 970**

The purpose of this measure is to authorize the Department of Public Safety to deposit the funds of committed persons into one or more noninterest bearing accounts with one or more financial institutions.

This measure would also allow the Department to maintain separate noninterest bearing accounts for each committed person, one for approved expenses and purchases during incarceration and one for funds that will be held to assist the person upon release from custody.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that recent litigation suggests that the Department of Public Safety may be required to maintain only one account for each committed person and to pay interest on that account. While thousands of hours are spent maintaining the accounts, committed persons are not charged for this service. The Department lacks the resources -- funds, personnel, and software -- that would be needed to compute and track interest payments. It is your Committee's intent to permit the Department to continue maintaining separate, noninterest bearing accounts for each committed person.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 970, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 733      Ways and Means on S.B. No. 1224**

The purpose of this measure is to allow periodic adjustment of airport concession rents to a reasonable and affordable level for each concession.

Specifically, this measure requires the Department of Transportation to periodically review each individual airport concession, beginning July 1, 2009, in order to adjust to a reasonable and affordable level the concession rental amounts due for the remainder of the lease contract, taking into consideration the ability of each individual concession to pay current rents, the concession's profit and loss, and the concession's capital improvement investment. This measure would be repealed on July 1, 2014.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that, as the local, national, and global economic downturn deepens, airport concessions in the State have suffered large losses because business volume has decreased due to fewer visitor arrivals in the State. Your Committee finds that this measure will help to alleviate some of the airport concessions' losses by periodically reviewing and adjusting the rents of each individual concession, taking into consideration specific factors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Ayes with Reservations, 1 (Hooser). Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 734 (Majority) Ways and Means on S.B. No. 1346**

The purpose of this measure is to provide a sustained source of funding for public education in the State.

Specifically, this measure:

- (1) Increases the four per cent general excise tax, allocating a portion of the increased revenues for public education;
- (2) Offsets the effects of the general excise tax increase by establishing a general excise tax exemption for purchases of:
  - (A) Food;
  - (B) Medical expenses, including nonprescription medications, prescription eyewear, and physician and dental services; and
  - (C) A portion of rental expenses;
- (3) Exempts from the general excise tax an unspecified amount of the gross proceeds or income from the payment of rent;
- (4) Establishes a tax credit for individuals who volunteer their services at public schools;
- (5) Increases the state income tax standard deduction amounts; and
- (6) Establishes an education funding commission to provide oversight for general excise tax revenues deposited into the education special fund established in this measure.

Your Committee received seven written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee believes that during the current economic recession, this measure offers a long-term alternative to cutting vital funding for public education by providing a dedicated source of funding for public education while simultaneously addressing Hawaii's regressive tax structure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1346, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Ayes with Reservations, 4 (English, Galuteria, Kim, Tokuda). Noes, 2 (Fukunaga, Hemmings). Excused, 2 (Hee, Tsutsui).

**SCRep. 735 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 701**

The purpose of this measure is to place a moratorium for any new landfills or the expansion of any existing private solid waste landfill unit on the Leeward Coast including Nanakuli, Waianae, Maili, Makaha, and Makua on or after August 1, 2009.

Testimony in support of this measure was submitted by two organizations and one public citizen. Three public citizens provided comments. Testimony in opposition was submitted by one state agency, one county agency, seven organizations, and fourteen public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Waimanalo Gulch Landfill, located on the Leeward Coast, is the only existing landfill on Oahu capable of receiving the total daily output of non-reusable municipal solid waste.

Your Committee further finds that prior to the establishment of the municipal solid waste landfill at Waimanalo Gulch eighteen years ago, there were other municipal solid waste landfills that operated on the Leeward Coast. The residents of the Leeward Coast had the burden of all of Oahu's construction and demolition waste, including asbestos, being deposited into a privately-owned landfill that is adjacent to and mauka of Nanakuli town. Additionally, there may be other privately-owned landfills planned or proposed.

Besides the obvious health risks the Leeward Coast residents may suffer as a result of these landfills, they are also impacted by certain other environmental concerns: the H-power plant, the abandoned military ordnance, the disproportionately large number of homeless, and horrendous daily traffic conditions. Every day, approximately four hundred trucks, many in the semi-tractor trailer category, travel to and from privately-owned landfills or other business establishments adding significantly to the traffic. Accordingly, your Committee finds that there would be significant gridlock for Leeward Coast residents if another landfill were opened.

Your Committee has amended this measure by:

- (1) Replacing its contents with the contents of the proposed draft of S.B. No. 701, S.D. 2, which was circulated prior to this hearing;
- (2) Deleting references to specific cities on the Leeward Coast and replacing them with a description of the entire area from Kaena point to Waimanalo Gulch;
- (3) Deleting references to "landfill units" and inserting "landfills" instead;
- (4) Clarifying that the moratorium on the construction or operation of new landfills includes municipal solid waste landfills, green waste landfills, and other types of landfills;
- (5) Amending the effective date to July 1, 2050, for the purpose of encouraging further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 701, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 701, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (Bunda, Takamine, Tokuda).

**SCRep. 736 (Majority) Water, Land, Agriculture and Hawaiian Affairs on S.B. No. 709**

The purpose of this measure is to prohibit the development, testing, propagation, release, importation, planting, or growing of genetically modified taro in the State of Hawaii.

Testimony in support of this measure was submitted by one state agency, six organizations, and nearly one thousand public citizens. Testimony in opposition was submitted by three state agencies, seven organizations, and eleven public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that taro, or kalo, is integral to the identity of native Hawaiians, and the State of Hawaii as a whole. The traditional mo'olelo of Wakea and Papahānaumoku explains that the first kalo plant, Haloanakalaukapalili, is the elder brother of native Hawaiians. As the elder sibling, Haloa provides sustenance to native Hawaiians, and in return, the younger siblings care for him and ensure that he flourishes. The bond that connects native Hawaiians to kalo remains a sacred one, and kuleana dictates that bond is preserved and protected.

Your Committee understands that taro faces many challenges including disease, invasive species, and environmental changes. However, your Committee believes that there are natural alternatives to genetic modification or engineering, such as following lo'i, restoring stream flows, and improving the overall health of the environment. Scientists should work with taro farmers and the native Hawaiian community to conduct a comprehensive examination of traditional and natural methods which are neither intrusive nor offensive to native Hawaiian culture. Research and development of non-Hawaiian taro varieties can be conducted outside of the State, which will ensure that these varieties will not be released into the environment of Hawaii.

Your Committee has amended this measure by:

- (1) Adopting the recommendation of the University of Hawaii and amending the definition of "genetically modified" to read "genetically engineered" to be more scientifically accurate;
- (2) Amending the purpose section to reflect these changes;
- (3) Amending the purpose clause to clarify that this measure is not intended to prevent the University of Hawaii from conducting field testing and commercial propagation of successful new varieties of taro outside of the State; and
- (4) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 709, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (Bunda, Takamine, Tokuda).

**SCRep. 737 Commerce and Consumer Protection on S.B. No. 1178**

The purpose of this measure is to:

- (1) Require the Department of Health to review the emergency plans of all dialysis centers in the State; and
- (2) Post a list on the Department's website of all dialysis centers in Hawaii that have backup emergency generators with the capacity to sustain dialysis treatments and maintain their water treatment system in the event of a power outage.

Testimony in support of this measure was submitted by one private citizen. Comments were submitted by the Department of Health. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee acknowledges that the Department of Health currently conducts Medicare certification surveys on all dialysis providers in the State, based on federal requirements of Medicare certified facilities that include emergency preparedness and affiliation arrangements. Your Committee, however, finds that power outages can place dialysis patients in a perilous health situation. It is critical that dialysis centers are adequately prepared for such events and that dialysis patients have readily available information regarding which dialysis centers will be equipped to handle dialysis treatments during a power outage.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1178, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 738 Commerce and Consumer Protection on S.B. No. 585**

The purpose of this measure is to:

- (1) Authorize remote dispensing pharmacies located at facilities operated by a health maintenance organization to operate and provide medications to patients served at the facility;
- (2) Clarify that a remote dispensing pharmacy may provide medications to patients with health insurance coverage who reside on an island without a pharmacy or in remote areas where there are no pharmacies within a five mile radius of an existing pharmacy; and
- (3) Clarify that a remote dispensing pharmacy may continue to operate in the same location if a pharmacy is subsequently established on the same island as the remote dispensing pharmacy or in the remote area that is not within a five mile radius of an existing pharmacy; provided that the remote dispensing pharmacy shall no longer be authorized to dispense controlled substances.

Testimony in support of this measure was submitted by the Board of Pharmacy, HMSA, Kaiser Permanente, Straub Clinic and Hospital, Walgreens, Hawaii Alliance of Retired Americans, and one hundred eighteen private citizens. Comments were submitted by the Department of Human Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would allow individuals in remote areas to gain access to their prescription medications in their own communities. Through the use of advanced telecommunications technology, pharmacists are able to dispense medications to patients at a distance, saving patients both time and money for travel expenses. Your Committee finds that this measure will help expand access to quality health care to primarily rural and medically underserved areas, while providing appropriate safeguards for the dispensing of controlled substances.

Your Committee has amended this measure by making technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 585, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 585, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 739 Commerce and Consumer Protection on S.B. No. 1671**

The purpose of this measure is to further the State's goal of energy independence by prohibiting new or expanded fossil fuel power plants in this State.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, the Sierra Club Hawaii Chapter, Blue Planet Foundation, and one private citizen. Testimony in opposition to this measure was received from Kauai Island Utility Cooperative and one private citizen. Testimony with comments on this measure was received from the Department of Health and Alexander & Baldwin. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to fulfill the objectives of the Hawaii Clean Energy Initiative to transition Hawaii's energy sector to seventy per cent nonfossil fuel based sources by 2030. Your Committee finds that the transition to a clean energy economy, along with increased use and development of renewable energy sources, will benefit Hawaii's economy, environment, and energy security.

Your Committee recognizes the concerns of a biofuel provider that fossil fuel consumption is sometimes necessary to maintain consistent energy production levels or to recover quickly from a generator disruption. Your Committee is sympathetic to these concerns, but emphasizes that this measure applies only to new or expanded facilities and not existing facilities. Your Committee further notes that this measure is a step along the path to achieving the Hawaii Clean Energy Initiative's goal of achieving a clean energy based economy.

Your Committee has amended this measure by:

- (1) Clarifying that this measure applies to electricity-generating public utilities as defined in section 269-1, Hawaii Revised Statutes;
- (2) Exempting utility cooperative associations from the prohibitions contained in this measure until July 1, 2015; and
- (3) Adding a definition of "electric utility cooperative association".

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1671, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1671, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 740 Commerce and Consumer Protection on S.B. No. 933**

The purpose of this measure is to:

- (1) Clarify that the Board of Dental Examiners may issue a community service license to practice dentistry while in the employment of the Department of Health; and
- (2) Clarify that the Board of Dental Examiners may issue a temporary license to practice dentistry to a person who is contracted by the Department of Health to conduct dental education and training.



Testimony in support of this measure was submitted by the Department of Health and the Board of Dental Examiners. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there is limited access to basic dental care, particularly among persons with disabilities. Your Committee also finds that this measure will allow the Department of Health to recruit additional dental care providers licensed in other states who are willing to work in Hawaii in response to the needs of Hawaii's disabled communities, and to create additional training opportunities to enhance access to dental care for disabled persons.

Your Committee has amended this measure to make technical, nonsubstantive stylistic changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 933, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 933, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 741 (Majority) Commerce and Consumer Protection on S.B. No. 428**

The purpose of this measure is to allow a licensed, doctoral-level psychologist who has completed a master's degree in psychopharmacology, achieved sufficient expertise, obtained a federal Drug Enforcement Agency registration number, and met other requirements to prescribe certain psychotropic medications when working under the supervision of, or in collaboration with, a licensed physician.

Your Committee received testimony in support of this measure from the American Psychological Association, the National Association of Social Workers, Hawaii Medical Service Association, Hawaii Primary Care Association, Kalihi-Palama Health Center, Ho'ola Lahui Hawaii, Kokua Kalihi Valley, Lanai Women's Center, Community Clinic of Maui, Na Pu'uwai Native Hawaiian Health Care System, and various private citizens. Your Committee received testimony in opposition to this measure from the Board of Psychology, Psychologists Opposed to Prescription Privileges for Psychologists, Hawaii Psychiatric Medical Association, and various private citizens. Testimony with comments on this measure was received from the Department of Human Services and the Hawaii Medical Board. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure expresses a policy that has been considered by the Legislature in the past and continues to have merit. Your Committee finds that the unavailability of adequate mental health care has reached crisis proportions in this State, especially in remote and rural areas that are underserved by the State's public and private resources.

Your Committee also finds that this measure reflects a growing trend across the country to increase access to mental health care by allowing licensed, doctoral-level psychologists to prescribe psychotropic medications. Your Committee notes that, as of March 2, 2009, the federal Department of Defense (DOD) has instructed all branches of the armed services to reinstate their own psychologist prescription programs to serve the needs of active duty personnel and veterans. Your Committee further notes that this measure is even more protective than the DOD programs in that it requires some level of physician supervision for both a temporary and a permanent prescriptive license.

Your Committee has amended this measure by:

- (1) Specifying that only a master's degree in psychopharmacology, as opposed to an equivalent degree, will suffice to meet the degree qualification for a prescriptive license; and
- (2) Making nonsubstantive, technical changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 428, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 428, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Espero). Noes, 2 (Sakamoto, Hemmings). Excused, 1 (Green).

**SCRep. 742 Commerce and Consumer Protection on S.B. No. 1645**

The purpose of this measure is to require the State Building Code Council to adopt standards to allow the use of bamboo as an accepted construction material under the State Building Code.

Testimony in support of this measure was submitted by Bamboo Village Hawaii, True Offsets, and six private citizens. Testimony in opposition to this measure was submitted by the Department of Accounting and General Services. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that it is advisable to develop criteria and standards for the use of bamboo as a construction material in Hawaii in order to expedite its use for sustainable building in Hawaii, encourage diversified agriculture in the islands, and strategically position the State for regional, national, or international greenhouse gas offsetting and the carbon credit trading markets.

Your Committee further finds that there is one species of bamboo that has gone through the rigorous process of testing and review to obtain International Code Council certification. However, certain other species of locally-grown bamboo could be utilized as construction materials without requiring or waiting for private individuals or organizations to pay for the expensive testing process.

Your Committee has amended this measure by:

- (1) Adding a purpose section;

- (2) Replacing the provision directing the State Building Code Council to establish standards and criteria with a provision directing the State Building Code Council to review studies and structural tests regarding bamboo use and to recommend standards and criteria for use of bamboo as a construction material; and
- (3) Directing the State Building Code Council to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2011.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1645, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1645, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 743 Commerce and Consumer Protection on S.B. No. 300**

The purpose of this measure is to require:

- (1) The holder of a Class 5 liquor dispenser license to carry liability insurance as a condition of acquiring and renewing a license; and
- (2) Liquor liability insurers to notify the county liquor commissions upon a termination, rejection, or nonrenewal of a licensee's coverage.

Testimony in support of the measure was submitted by TS Restaurants and one private citizen. Testimony in opposition to this measure was submitted by Outrigger Hotels. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is intended to protect the citizens who are involved in an accident with an intoxicated person when there is a connection under the State Dram Shop Law, chapter 663, Hawaii Revised Statutes, to the establishment that served the individual. The Dram Shop Laws establish joint and several responsibility for all establishments that fall into a chain of serving and responsibility. Your Committee finds that in order for this measure to guarantee that funds would be available for settlement proportionately from the responsible parties, the liability insurance requirements should apply to all licensees who serve liquor for the customers' consumption on-site.

Your Committee has amended this measure by applying the liability insurance requirements to restaurants, retail dealers, dispensers, clubs, cabarets, hotels, caterers, and condominium hotels licensed under Class 2, Class 4, Class 5, Class 6, Class 11, Class 12, Class 13, and Class 14 liquor licenses.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 300, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 300, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 744 Commerce and Consumer Protection on S.B. No. 1338**

The purpose of this measure is to prohibit real estate contracts, real estate agreements, and association rules from precluding the use of clotheslines on the premises of single family dwellings and townhouses or from imposing conditions on the use of clotheslines that are so onerous as to render the clotheslines ineffective.

Your Committee received testimony in support of this measure from Mililani Town Association, the Sierra Club, and Blue Planet Foundation. Testimony with comments on this measure was received from Hawaii Association of Realtors. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that clotheslines are one of the simplest ways for most households to reduce their energy consumption and, therefore, reduce their monthly utility costs. Your Committee further finds that a widespread reduction of household energy consumption will help Hawaii achieve its goal of increasing energy independence and decreasing dependence on imported fossil fuels. Your Committee notes that this measure respects the right of homeowners associations to impose reasonable restrictions on the use of clotheslines in response to concerns about community aesthetics.

Your Committee has amended this measure by making minor, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1338, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1338, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 745 Commerce and Consumer Protection on S.B. No. 868**

The purpose of this measure is to update and clarify the duties of the Energy Resources Coordinator to oversee statewide energy resource planning to develop local, nonfossil fuel energy sources in order to decrease Hawaii's dependence on imported fossil fuels and realize the State's long-term goal of energy independence.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Blue Planet Foundation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure makes explicit the expectations that the Legislature, the Executive branch, and the people of Hawaii have that the Energy Resources Coordinator oversee energy planning in order to ensure Hawaii's long term goals of energy independence and environmental stewardship. Your Committee further finds that this measure provides the Energy Resources Coordinator with greater direction in examining the systemic changes necessary to realize a clean energy future for Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 868, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 746 Commerce and Consumer Protection on S.B. No. 1675**

The purpose of this measure is to facilitate and encourage renewable energy development by increasing or eliminating the capacity limits on net energy metering and permitting existing net-metered customers to continue with the net metering program after alternative tariff structures are implemented.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, Hawaii Photovoltaic Coalition, the Hawaii Chapter of the Sierra Club, and Blue Planet Foundation. Testimony in opposition to this measure was received from Kauai Island Utility Cooperative. Testimony with comments on this measure was received from the Public Utilities Commission and Hawaiian Electric Company. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that net energy metering has been an effective tool in promoting customer-sited renewable energy resources as evidenced by the increase of net energy metered customers across all islands since net energy metering became the law in 2001. Your Committee further finds that rapid changes in energy technology will soon result in new methods of generating and distributing renewable energy.

Your Committee notes that the Public Utilities Commission (PUC) is empowered under the current law to make changes, including changes to capacity limits, to the net metering program. Pursuant to this authority, the PUC currently has administrative dockets open that address the issues of capacity limits for individual customer-generators, total rated generating capacity produced by customer-generators, utility interconnection standards, and feed-in tariffs and other methodologies for a utility to acquire renewable energy. Since the PUC has appropriately exercised its rulemaking powers to address these issues, your Committee finds that the Legislature has no need to act upon these matters. Therefore, your Committee has narrowed the scope of this measure to pertain only to those issues that have not been addressed in any other context so as to assure that current customer-generators may continue to receive proper credit for producing renewable energy.

Your Committee finds that this measure, as amended, will allow the PUC to retain flexibility in setting rates and compensating or crediting customer-generators of renewable energy as it responds to innovations in energy development. This measure will also allow existing net energy monitoring customers to retain their net monitoring credits in the event that the PUC responds to innovations in renewable energy generation by instituting a new or different system of renewable energy credits.

Your Committee has amended this measure by:

- (1) Removing provisions that would have increased the specified maximum capacity of an eligible customer-generator of renewable energy;
- (2) Removing provisions amending rate structure, calculation, and billing for net energy metering customers;
- (3) Removing provisions making housekeeping amendments to sections 269-107 and 269-108, Hawaii Revised Statutes.
- (4) Removing the provision amending safety and performance standards for customer-generators;
- (5) Deleting the provision that repealed the total peak capacity limit for customer-generators in a service area; and
- (6) Making nonsubstantive technical changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1675, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1675, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 747 Commerce and Consumer Protection on S.B. No. 1610**

The purpose of this measure is to clarify that:

- (1) A physician assistant acts as agent of the supervising physician when issuing a medical order and the order is deemed to be issued by the supervising physician;

- (2) When following a medical order issued by a physician assistant, a registered nurse follows a medical order issued by the supervising physician for whom the physician assistant acts as an agent; and
- (3) The law does not relieve physician assistants or registered nurses from exercising due care in performing duties and responsibilities within their respective scope of practice.

Testimony in support of this measure was submitted by the Board of Nursing, Hawaii Medical Board, American Academy of Physicians Assistants, Puna Community Medical Center, Hawaii Academy of Physicians Assistants, and fourteen private citizens. Testimony in opposition was submitted by Kaiser Permanente. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that licensing and regulating the scope of practice of physician assistants and registered nurses has developed independently for the two healthcare disciplines. As a result, regulatory language pertaining to their respective responsibilities to follow a physician's orders is neither compatible nor clear. Your Committee understands that this inconsistency has led to problematic situations when registered nurses decline to accept orders from physician assistants.

Your Committee further finds that this measure provides clarity for both physician assistants and registered nurses, which will ensure access to more effective health care for patients of both professions.

Your Committee has amended this measure by making technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1610, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1610, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 748 Commerce and Consumer Protection on S.B. No. 420**

The purpose of this measure is to expand the allowable scope of practice of naturopathic physicians by allowing naturopathic physicians who have proper training to administer parenteral therapy, give injections, obtain federal Drug Enforcement Agency registration, and prescribe formulary medications.

Your Committee received testimony in support of this measure from the Hawaii Society of Naturopathic Physicians and 145 private citizens. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs and the Board of Examiners in Naturopathy. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that naturopathic physicians are important providers of preventative and primary health care for many Hawaii residents. Your Committee further finds that the allowable practices contained in this measure are consistent with the education and training received by a naturopathic physician who meets the State's licensing requirements for the provision of these services.

Your Committee has amended this measure by:

- (1) Removing the provisions relating to parenteral therapy to allow the Board of Examiners in Naturopathy to make rules regulating the practice of parenteral therapy by a naturopathic physician;
- (2) Clarifying the definition of "radiography";
- (3) Deferring the effective date of sections 1, 2, and 3 to allow the Board of Examiners in Naturopathy an opportunity to enact the administrative rules required to implement this measure; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 420, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 420, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 749 Commerce and Consumer Protection on S.B. No. 1265**

The purpose of this measure is to improve food safety by requiring the accurate labeling of meat and fish products that have been gas-treated to enhance the product color or to approximate the appearance of freshness.

Your Committee received testimony in support of this measure from Hawaii Teamsters and Allied Workers, Local 996. Testimony in opposition to this measure was received from the Grocery Manufacturers Association. Testimony with comments on this measure was received from the Department of Agriculture. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that gas treatment, while not itself harmful, may alter the color of packaged meat or fish in such a way that makes it difficult for a consumer to tell whether the product is actually fresh or merely appears to be so. Your Committee notes that packaged meat or fish may contain high bacteria levels indicative of spoilage even though it has not passed the "use, sell, or freeze by" date stamped on the package.

Your Committee has amended this measure by:

- (1) Requiring the Department of Agriculture to post notice of the labeling requirement contained in this measure on its website;

- (2) Deferring the implementation of this measure to allow producers, retailers, and the Department of Agriculture sufficient time for compliance; and
- (3) Making minor, nonsubstantive technical changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1265, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1265, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 750 Commerce and Consumer Protection on S.B. No. 1065**

The purpose of this measure is to exempt the Natural Energy Laboratory of Hawaii Authority (NELHA) from regulation by the Public Utilities Commission for the sale or provision of electricity generated from renewable resources by NELHA to users located on lands leased from the State adjacent to the NELHA research and technology park.

Your Committee received testimony with comments on this measure from the Public Utilities Commission and Natural Energy Laboratory of Hawaii Authority. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will promote the development of nonfossil fuel generated electricity and result in considerable savings to the State by allowing NELHA to provide renewably generated energy to State facilities. NELHA currently operates four alternative energy projects developing solar thermal, solar concentrating, wind, and algae biofuel generating capacities. Your Committee finds that allowing energy generated by the alternative energy development projects at NELHA to be used by adjacent State facilities will result in lowered energy costs for the receiving facilities and will help move Hawaii toward its long term goal of energy independence.

Your Committee has amended this measure by:

- (1) Clarifying that NELHA is exempt from all regulation by the Public Utilities Commission only if the sale or provision of electricity by NELHA does not require connection to the electrical grid; and
- (2) Clarifying that if NELHA does connect to the electrical grid to provide any electricity to any user, it shall be subject to regulation as an energy provider by the Public Utilities Commission and shall be subject to interconnection agreement requirements.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1065, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1065, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 751 Commerce and Consumer Protection on S.B. No. 917**

The purpose of this measure is to ensure State compliance with section 6035 of the Deficit Reduction Act of 2005 (P.L. 109-171), by strengthening the State's ability to identify and obtain payments from first or third party payers that are legally responsible to pay for health services received by Medicaid recipients, when such payers are primary to Medicaid.

Testimony in support of this measure was submitted by the Department of Human Services. Comments regarding this measure were submitted by the Hawaii Medical Services Association. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Medicaid is designed to be the insurance provider of last resort. However, there are some statutory loopholes through which third parties have been able to avoid paying before Medicaid. Your Committee finds that this measure amends the current statutes to enhance the Department of Human Services' efforts to successfully obtain third party payments for Medicaid recipients, thus reducing unnecessary State expenditures.

Your Committee has amended this measure by:

- (1) Clarifying the time period within which an insurer must accept a claim submitted by the State, in order to conform the language of this measure to federal law;
- (2) Relocating the definition of "first party" to section 431L-2, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive, stylistic changes.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 917, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 917, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 752 Commerce and Consumer Protection on S.B. No. 1045**

The purpose of this measure is to improve access to primary health care services by:

- (1) Requiring providers of accident and health or sickness insurance to recognize advanced practice registered nurses practicing within the scope of their licenses as primary health care providers;
- (2) Granting global signatory authority to advanced practice registered nurses;
- (3) Amending the definition of advanced practice registered nurse to include educational, training, and qualification requirements; and
- (4) Updating prescriptive authority of advanced practice registered nurses.

Your Committee received testimony in support of this measure from the University of Hawaii, Hawaii State Center for Nursing, Healthcare Association of Hawaii, Hawaii Primary Care Association, Hawaii Medical Service Association, Kaiser Permanente, Hawaii Association of Professional Nurses, Lanai Women's Center, Walgreens, AARP, and 10 private citizens. Testimony with comments on this measure was received from the Department of Human Services, the Board of Nursing, and the Disability and Communication Access Board. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will improve access to health care, especially in rural areas where there is a shortage of doctors. Your Committee further finds that advanced practice registered nurses are important members of the primary health care team and have expertise in both the science of medicine and the art of patient care.

Your Committee notes that it has worked in conjunction with insurers, health plans, the nursing school, the Center for Nursing, and the Board of Nursing to address the concerns raised by stakeholders regarding this measure. Accordingly, your Committee has amended this measure by:

- (1) Adding a section of legislative findings to accurately describe the purpose of this measure;
- (2) Clarifying the definition of "participating advanced practice nurse";
- (3) Clarifying that an insurer retains the right to determine contract criteria for its participating providers;
- (4) Clarifying that an advanced practice registered nurse's signatory authority applies to health care provided within the scope of the advanced practice registered nurse's practice;
- (5) Deferring the date by which the Board of Nursing shall grant recognition as an advanced practice registered nurse to allow sufficient time to develop appropriate procedures;
- (6) Clarifying the qualifications for recognition as an advanced practice registered nurse;
- (7) Authorizing the Board of Nursing to determine an exclusionary formulary for qualified advanced practice registered nurses granted prescriptive authority and specifying the means of determining the formulary and the qualifications required for prescriptive authority; and
- (8) Making this measure effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1045, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1045, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 753 Commerce and Consumer Protection on S.B. No. 1676**

The purpose of this measure is to:

- (1) Clarify that telemedicine is within a physician's scope of practice and is authorized in Hawaii when practiced by a licensed physician providing services to patients; and
- (2) Clarify existing laws regarding telehealth to ensure compliance with changes to the law regulating the practice of medicine.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Primary Care Association, The Hawaii Chamber of Commerce, Hawaii Medical Services Association, MDX Hawaii, Hawaii Telehealth Collaborative, and one private citizen. Your Committee received testimony with comments on this measure from Hawaii Medical Board and eight private citizens. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds it necessary to reiterate the public policy first articulated by the Legislature in Act 278, Session Laws of Hawaii 1998, and later confirmed through Act 219, Session Laws of Hawaii 2006, that the use of technology to deliver effective and prompt health care is extremely important to Hawaii, particularly to residents in rural communities. Accordingly, this measure defines the practice of telemedicine and emphasizes that the need for telehealth services requires that those services be included in insurance coverage.

Your Committee finds that insurance coverage for telehealth was first mandated by the Legislature over a decade ago through Act 278. Your Committee further finds that the Legislature expressed its strong support of the use of technology to improve access to health care services by the people of the State, especially those living in rural areas who have historically been faced with insufficient access to health care services, in Act 219. Specifically, the Legislature clarified that a provider-patient relationship may be established through telehealth services. Your Committee emphasizes that telehealth services are an appropriate tool to assist physicians in the State with providing the best possible access to medical treatment for patients. The beneficiaries of telehealth services often have no

other access to medical services and treatment. Due to the shortage of specialists in the State, it is essential that both patients and providers have the ability to consult with other licensed medical providers, including specialists, who are located elsewhere.

Your Committee recognizes Hawaii Medical Board's reticence to embrace telemedicine. However, your Committee reiterates that the ability to form a provider-patient relationship through telehealth was established as law in 2006 through Act 219. Further, that public policy, whether contained in the Insurance Code or elsewhere in Hawaii Revised Statutes, is the current and prevailing law on the matter. Your Committee notes that boards and similar entities are required to act in compliance with the law, regardless of whether they agree with it or not.

Your Committee has amended this measure by:

- (1) Clarifying that, although establishing the provider-patient relationship through telehealth requires the participation of a medical professional licensed in this State, consultation or other services may be provided by a medical professional licensed elsewhere; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1676, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1676, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 754 Commerce and Consumer Protection on S.B. No. 51**

The purpose of this measure is to protect public health by including teeth whitening services, including the offer to perform or the performance of any phase of any operation incident to teeth whitening, in the definition of dentistry.

Testimony in support of the measure was submitted by the Hawaii Dental Association and one private citizen. Comments on the measure were submitted by the Department of Commerce and Consumer Affairs and the Board of Dental Examiners. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure addresses concerns regarding teeth whitening performed by non-dentists, such as potential harm to a patient's gums and teeth if a tooth whitening procedure is not done correctly. However, this measure will not affect the purchase of over-the-counter products that are intended for the sole use of and application by the consumer.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 51, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 755 Commerce and Consumer Protection on S.B. No. 470**

The purpose of this measure is to make various administrative and technical amendments to the liquor license and liquor tax laws.

Specifically, it:

- (1) Adds personal delivery to the service options for a notification of hearing;
- (2) Enables the liquor control departments to extend relief to licensees who cannot obtain a tax clearance prior to license renewal or transfer;
- (3) Expands the use of fine moneys to include public liquor-related educational or enforcement programs, subject to a quantified annual limit;
- (4) Clarifies procedures relating to liquor license transfers, to more accurately reflect modern business enterprise organization;
- (5) Extends the time within which a liquor commission may grant or refuse a liquor license application following public hearing; and
- (6) Amends other provisions for the purposes of clarity and consistency.

Testimony in support of this measure was submitted by Hard Rock Cafe, REI Food Service, Sergio's LLC, and Tiki's Bar and Grill. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is the result of a comprehensive review of chapter 281, Hawaii Revised Statutes, conducted by the four county liquor control departments, including their commissions and adjudication boards, and in cooperation with industry representatives. As such, it will provide clarity and consistency for both businesses and the entities charged with regulating liquor licensing in the State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 470 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Green).

**SCRep. 756 Labor on S.B. No. 1250**

The purpose of this measure is to clarify laws relating to the Department of Education's emergency hiring and teacher licensure requirements.

Specifically, this measure requires that the maximum consecutive length of time during which an individual may be employed by the Department of Education on an emergency basis shall be three years; provided that unlicensed individuals who have been hired on an emergency basis after June 30, 1997, but prior to July 1, 2008, may be employed on an emergency basis for no more than four consecutive years.

Your Committee finds that this measure provides necessary clarifications to further align Hawaii's teacher licensure requirements with the criteria for highly qualified teachers, as prescribed by the No Child Left Behind Act.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1250, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 757 Judiciary and Government Operations on S.B. No. 516**

The purpose of this measure is to clarify and standardize existing laws regarding end-of-life care and advanced directives to ensure that emergency services personnel and first responders can comply with the patient's wishes.

This measure would use a standardized form called the "physician orders for life-sustaining treatment" form, to transform a person's advance directive into a medical order that would be accepted by all health care settings.

Your Committee finds that emergency services personnel are mandated by law to attempt resuscitation unless the person has a state issued comfort care only, do not resuscitate bracelet or necklace. However, these bracelets are only issued to individuals who have a terminal condition. Many community members mistakenly believe that their advanced health care directive or living will is enough to prevent an unwanted attempt at resuscitation by emergency responders. Your Committee believes that this measure will help ensure that a person's end-of-life wishes are followed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 516, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 758 Judiciary and Government Operations on S.B. No. 1221**

The purpose of this measure is to amend the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after reasonable request or warning to leave by housing authorities, provided that the person is not an invited guest.

Your Committee finds that this measure will significantly improve the ability of the Hawaii Public Housing Authority to ensure a livable community for their residents.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 759 Ways and Means on S.B. No. 427**

The purpose of this measure is to exempt from the general excise tax, amounts received by a managed care contractor from the TRICARE program to pay third-party health care providers.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that TRICARE is the managed care program that provides health care to active duty, reserve component, and retired members of the United States uniformed services and their dependents, including approximately 150,000 persons in Hawaii. The TRICARE program contracts with managed care support contractors to maintain networks of authorized civilian third-party health care providers in different regions of the country. The managed care support contractors make advances to third party health care providers for services provided to TRICARE beneficiaries. The United States Department of Defense then reimburses the managed care support contractors for those payments.

Your Committee finds that there exists some ambiguity as to whether a managed care support contractor is subject to the State's general excise tax for the amounts that it receives for actual costs or advances paid to third party-health care providers. Accordingly, your Committee finds that exempting these amounts from the general excise tax will avoid cost increases for health care services delivered through the TRICARE program and will avoid adverse consequences to uniformed service personnel and their dependents served by the program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 427 and recommends that it pass Third Reading.



Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 760      Ways and Means on S.B. No. 528**

The purpose of this measure is to make permanent the requirement that businesses engaged in the sale of cigarettes and other tobacco products at the retail level acquire a retail tobacco permit from the Department of Taxation to do so.

Your Committee received six written comments. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

This measure deletes the language in Act 131, Session Laws of Hawaii 2005, that would repeal the requirement for an entity engaged in the retail sale of cigarettes or other tobacco products to obtain a retail tobacco permit, effective July 1, 2009, thus making the requirement permanent. Your Committee finds that retail tobacco permits facilitate the enforcement of the cigarette tax and tobacco tax law by providing a known and measurable list of entities engaged in the retail sale of cigarettes and other tobacco products. More than 1,500 entities in Hawaii, all engaged in the retail sale of cigarettes and other tobacco products, have applied for and received a retail tobacco permit.

Your Committee also finds that, in testimony submitted to the Legislature in 2009, the Department of Taxation projected that reduced enforcement efforts in the monitoring of tobacco retailers could result in a revenue loss of approximately \$5,300,000 per year. Your Committee believes that permanently establishing the requirement to obtain a retail tobacco permit will allow the Department to maintain an effective level of tax revenue collection.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 528, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 761      Ways and Means on S.B. No. 1103**

The purpose of this measure is to establish a commission on effective legislation to conduct an ongoing review of the Hawaii Revised Statutes to determine which of these statutes should be repealed or amended.

Your Committee finds that the ongoing review carried out by the commission established in this measure will improve the effectiveness of the State's codified legislation by identifying legislation that is duplicative, obsolete, or otherwise in need of fixing "disconnects". This in turn will help to reduce the number of "housekeeping" measures that take up a great deal of the Legislature's time.

Your Committee received two written comments on this measure. The written comments submitted may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1103, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 762      Ways and Means on S.B. No. 1271**

The purpose of this measure is to require exempt civil service managerial employees in the legislative and executive branches of government to use, donate, or forfeit vacation leave upon their termination from public employment.

This measure also prohibits these employees from being reemployed by the same department that employed the employee immediately prior to the discharge.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that under the current law, these exempt civil service managerial employees, like other public employees, are entitled to be paid compensation in lieu of receiving a vacation allowance when terminating from public employment. Your Committee believes that this measure serves as an important vehicle in exploring all available avenues to sustain the current level of government services with fewer resources during this economic downturn.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 763      Ways and Means on S.B. No. 1272**

The purpose of this measure is to revise the formula for distribution of transient accommodations tax moneys deposited into the tourism special fund and to authorize a portion of those moneys to be used for invasive species prevention.

Specifically, this measure:

- (1) Changes the base aggregate amount available for distribution from the tourism special fund to special funds to an unspecified amount;

- (2) Changes the percentages of the base aggregate amount to be deposited into the state parks special fund and the special land and development fund to unspecified amounts; and
- (3) Adds the pest inspection, quarantine, and eradication fund to the list of funds to receive moneys from the tourism special fund in an unspecified percentage.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that Hawaii's economy is heavily dependent on tourism and, therefore, it is important to maintain the state parks and trails enjoyed by many of Hawaii's visitors. In addition, the stability of Hawaii's ecosystems depends on the State's ability to guard against invasive species and eradicate destructive pests. Your Committee believes that these programs, which help to maintain Hawaii's natural environment, are also crucial to the health of the tourist industry because they help maintain the natural beauty and unique ecology that makes Hawaii a popular destination for tourists, particularly in the burgeoning ecotourism market.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1272, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 764 (Majority) Ways and Means on S.B. No. 1318**

The purpose of this measure is to reorganize the functions of state government in the long-range planning for the State.

Specifically, this measure:

- (1) Repeals chapter 205A, Hawaii Revised Statutes, the coastal zone management law, including the special management areas program, shoreline setbacks program, and marine and coastal affairs program;
- (2) Abolishes the Office of Planning by repealing chapter 225M, Hawaii Revised Statutes; and
- (3) Transfers all rights, powers, functions, and duties of the Office of Planning to the Department of Business, Economic Development, and Tourism.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

In these austere, belt-tightening times, your Committee feels that a major overhaul of the long-range planning process on the state level is required. Since the Department of Business, Economic Development, and Tourism was previously responsible for all planning functions of the State and the Office of Planning is placed within the Department, your Committee finds that the obvious choice of executive department to assume the authority and functions of the Office of Planning is the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1318, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Ayes with Reservations, 1 (Hooser). Noes, 1 (Tokuda). Excused, 1 (Kokubun).

**SCRep. 765 Judiciary and Government Operations on S.B. No. 1130**

The purpose of this measure is to allow a party seeking to record a judgment with the Bureau of Conveyances or Land Court to redact the first five digits of any Social Security Numbers that may be included on the judgment.

Your Committee finds that an unintended consequence of the Legislature's action to protect citizens' privacy by allowing only the last four digits of a person's Social Security number to be included in documents registered or recorded with the Bureau of Conveyances is to preclude the acceptance of some court orders by the Bureau of Conveyances.

Many judicial orders and judgments contain the parties' full Social Security numbers as a means of identification. Court clerks are not authorized to redact Social Security numbers in copies of documents to be certified as true and correct copies of documents on file in the court. However, the current law prohibits the Registrar of the Bureau of Conveyances and the Assistant Registrar of the Land Court from accepting a document that contains a full Social Security number.

Your Committee has amended this measure by requiring, instead of allowing, a party seeking registration or recordation of a judgment that contains a Social Security number to block out the first five numbers of the Social Security number on the copy presented for registration or recordation with the Bureau of Conveyances.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1130, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 766 Judiciary and Government Operations on S.B. No. 1263**

The purpose of this measure is to prohibit a person, partnership, firm, corporation, or other legal entity from operating a tattoo shop without registering the shop with the Department of Health and obtaining a permit.

This measure also:

- (1) Allows the Department of Health to issue temporary licenses for educational, trade show, or product demonstration purposes to tattoo artists not licensed in the State. A temporary license is valid for a maximum of fourteen consecutive calendar days in any given calendar year;
- (2) Sets forth additional requirements for non-temporary licenses; and
- (3) Clarifies and establishes violations and penalties relating to tattoo artists and tattoo shops.

Your Committee finds that this measure affords added protections for the public health and updates statutory provisions relating to tattoo artists and tattoo shops that have not been updated since 1981.

Your Committee has amended this measure by:

- (1) Deleting reference to Occupational Safety and Health Administration regulations since the Department of Health does not enforce OSHA regulations;
- (2) Clarifying that a positive test result for tuberculosis, hepatitis B, HIV, or any communicable disease would not disqualify an applicant for a tattoo license if the applicant presents a medical certificate stating that the applicant is not a risk to customers or employees of the tattoo shop;
- (3) Deleting the prohibition on practicing tattooing while having a communicable disease, since it may conflict with the privacy requirements of The Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Rule;
- (4) Changing the date of expiration of permits to December 31 of each year;
- (5) Authorizing the Department of Health to issue temporary permits for a maximum period of seven days to locations other than a permitted tattoo shop for the purpose of a trade show, product demonstration, or educational demonstration, in accordance with standards specified by the Director of Health and Chapter 321, Hawaii Revised Statutes;
- (6) Allowing on-site inspections of temporary permit premises;
- (7) Deleting reference to a \$50 participation fee and substituting a \$50 nonrefundable permit fee for any event featuring less than three participating tattoo artists demonstrating for educational purposes only; and
- (8) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1263, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1263, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 767            Judiciary and Government Operations on S.B. No. 844**

The purpose of this measure is to allow for more timely investigation of crimes when public health vital statistics records are needed, while protecting the privacy of the records.

This measure authorizes the Department of Health to permit law enforcement officers, upon request, to inspect public health vital statistics records and for the Department of Health to issue a certified copy of any such record or part thereof to law enforcement, when the records are needed as evidence in a criminal investigation.

Your Committee has amended this measure by:

- (1) Limiting the scope of inspections and records that may be obtained to birth and death certificates;
- (2) Redefining "law enforcement officer" to only include law enforcement officers of the State or county, or subdivisions thereof; and
- (3) Changing the effective date to July 1, 2050, to continue the discussions in this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 844, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 844, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 768            (Majority) Judiciary and Government Operations on S.B. No. 973**

The purpose of this measure is to deter tax fraud and promote uniformity in the state tax system by conforming Hawaii tax law to the Internal Revenue Code with respect to regulating tax return preparers and adopting other accuracy-related federal provisions.

Your Committee finds tax preparers are not required to audit, examine, or review books, records, or other documents in order to independently verify information provided by taxpayers. If a tax preparer finds this information to be incorrect or incomplete, the tax preparer must make reasonable additional inquiries. This bill enables the Department of Taxation to hold tax preparers accountable for unreasonable positions on tax returns. This accountability is critical in the wake of recent corporate fraud scandals involving large corporations.

Your Committee also finds that greater scrutiny by the State is warranted with respect to regulating abusive tax schemes, erroneous tax refund claims, the understatement or misstatement of tax liability, and the collection and payment of withholding taxes. These tax violations result in not only substantial revenue losses for the State, but also mean a greater tax burden for the taxpaying public.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 973, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 973, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 769      Judiciary and Government Operations on S.B. No. 687**

The purpose of this measure is to enact the responsible construction contractor law for public works contracts and for the procurement of construction.

Your Committee has amended this measure by deleting its contents and inserting Senate Bill No. 1036 (2009), relating to elections procurement, which your Committee deferred at a public decision making meeting on March 2, 2009, in favor of insertion into this measure, leaving the defective effective date intact.

As amended, this measure pertains to all procurements, rather than only elections procurement, and clarifies the Hawaii Public Procurement Code to:

- (1) Require a final decision to be issued within thirty days of the receipt of the request for hearing;
- (2) Require a judicial decision within thirty days of the filing of the application for judicial review; and
- (3) Impose, in either an administrative hearing or a judicial review, a thirty-day limit for resolution, which if not met will result in the loss of jurisdiction and the award not being disturbed.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 687, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 770      Judiciary and Government Operations on S.B. No. 1005**

The purpose of this measure is to establish a property right in the commercial use of a person's name, voice, signature, photograph, or likeness.

Your Committee finds that protecting an individual or personality's publicity rights is imperative for writers, composers, and recording artists in Hawaii. These persons deserve to have confidence that the laws of Hawaii protect the commercial value of their name, voice, signature, photograph, or likeness.

Your Committee also finds that this measure tempers the exploitation of the names, signatures, voices, and photographs of a deceased individual or personality without any compensation to their heirs.

Your Committee has amended this measure by making the application of the chapter prospective to August 1, 2009, in the interests of avoiding ambiguity over the time of accrual of any property right.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1005, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1005, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 771      Judiciary and Government Operations on S.B. No. 912**

The purpose of this measure is to amend chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, to ensure compliance with federal Title IV-E permanency hearing requirements.

Chapter 587, Hawaii Revised Statutes, relating to the Child Protective Act, does not specifically address the federal requirement for permanency hearings at twelve month intervals to determine the permanency plan for a child in accordance with federal law. The Department of Human Services has been informed by the federal government that Hawaii's State Plan will not be approved and the State will be restricted from obtaining federal Title IV-E funds if the requisite statutory changes are not implemented. The Department of Human Services receives over fifty million dollars in Title IV-E federal funds for foster board, treatment, services, staffing, and administrative costs.

Your Committee notes that the Judiciary has convened a planning group to work collaboratively towards a solution. The first of several meetings was held on February 25, 2009, and other meetings are scheduled on March 2, March 5, and March 11. The group includes representatives of the Department of Human Services, Department of the Attorney General, University of Hawaii William S.

Richardson School of Law, guardians ad litem, parents' counsel, and the family court. This group has been working closely with representatives of the Federal Regional Office, Region IX, United States Department of Health and Human Services, Administration for Children and Families.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 912, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 772      Judiciary and Government Operations on S.B. No. 6**

The purpose of this measure is to permit the Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures for recording.

Your Committee finds that this measure will allow the Bureau of Conveyances to become more efficient and up to date with its functions. Furthermore, this measure does not require that the Bureau of Conveyances make any changes to its procedures until it has the capability to do so. The Uniform Real Property Electronic Recording Act, upon which this measure is based, has been adopted in eighteen other states and the District of Columbia.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions in this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 6, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 6, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 773      Judiciary and Government Operations on S.B. No. 1203**

The purpose of this measure is to:

- (1) Require the Department of Labor and Industrial Relations' Office of Community Services to establish by no later than January 1, 2012, a mandatory program to require all state residents between the ages of sixteen and twenty to serve a minimum of five-hundred hours of community service; and
- (2) Credit participants \$3 per hour in scholarship funds that shall be used to finance any educational program chosen by participants until the age of thirty, with all funds earned by participants to be placed in a trust fund.

Your Committee believes that this measure encourages active participation in community service, gives youth a vested interest in the future of the State, offers economic incentives to participants, and provides an educational opportunity to Hawaii's youth that they might otherwise choose to forgo.

Your Committee finds that a voluntary community service program with appropriate incentives might better effectuate the intent of this measure rather than a mandatory program.

Your Committee has amended this measure by providing for voluntary participation in the new program and making it available to residents between the ages of fifteen and eighteen years.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1203, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 774      Judiciary and Government Operations on S.B. No. 979**

The purpose of this measure is to prohibit a court from granting a restricted license to a commercial driver if the commercial driver is convicted of operating a vehicle under the influence of an intoxicant.

In addition, the measure specifically limits the court's authority to grant a restricted license to a person convicted of operating a vehicle under the influence of an intoxicant, to only category (1), (2), and (3) licenses.

Your Committee finds that this measure is required to conform to federal regulations relating to commercial driver licenses. Under current law, the court may order license restriction on a driver of any category of motor vehicle. This measure clarifies that only non-commercial driver licenses are subject to license restriction to allow the driver to continue to drive for limited purposes. Therefore, commercial drivers are not eligible for the issuance of a restricted license by a court.

The intent of this measure is to disallow an unsafe commercial driver to continue to pose a risk to motorists and other roadway users.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 979, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 979, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 775            Judiciary and Government Operations on S.B. No. 1088**

The purpose of this measure is to create a private right of action to enforce public access to public property in the courts.

This measure also amends the offense of obstructing access to public property to include installing visual and other impediments to intentionally prevent a member of the public from accessing the sea, the shoreline, or an inland public recreational area.

Your Committee finds that, although public access is protected by state law, development pressure is making it difficult for residents to access beach and shoreline areas. On Oahu, insufficient public access to the shore has prompted multiple studies by State agencies to address conflicts between beachfront property owners and the general public. Similarly on Maui, coastline development plans have raised the issue of adequate public access to the beach from Paia through Baldwin beaches. On Kauai, public access routes have not been claimed by either the State or the County and are obstructed, preventing public access to the shoreline.

Your Committee further finds that providing a private right of action to enforce public access will allow communities to enforce laws when the agencies responsible for enforcing public access lack necessary resources or are unresponsive. This measure also ensures that needless litigation will not occur by requiring that notice an opportunity to cure the violation are given to the violator prior to the filing of a lawsuit.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1088, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1088, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Nishihara)

**SCRep. 776            (Majority) Judiciary and Government Operations on S.B. No. 619**

The purpose of this measure is to allow an incarcerated person, who was a Hawaii resident at the time of the person's arrest, to vote by absentee ballot in Hawaii elections.

Your Committee finds that allowing an incarcerated person, who was a Hawaii resident at the time of the person's arrest, to vote by absentee ballot in Hawaii elections will help the incarcerated person achieve a more successful reentry into society and become a participating member of the community upon release.

Your Committee has amended this measure by:

- (1) Removing Section 1 in its entirety;
- (2) Allowing incarcerated persons to vote only within two years prior to their discharge from confinement;
- (3) Changing the effective date to July 1, 2050, to continue the discussions on this matter; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 619, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 619, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Gabbard, Takamine).

**SCRep. 777            Judiciary and Government Operations on S.B. No. 1241**

The purpose of this measure is to prohibit a deed restriction or covenant that requires the payment of a transfer fee to a specified private party every time a property is sold or transferred.

Your Committee finds that some real estate developers charge transfer fees that require a payment to the developer every time a property is sold or transferred from one owner to the next. Some of these fees are unrelated to any legitimate purpose and serve only to enrich the developer. Your Committee finds that there is presently no regulation of these fees, no limitation on their application, and no accountability or oversight of the recipients.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1241, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1241, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Gabbard).

**SCRep. 778 (Majority) Judiciary and Government Operations on S.B. No. 1125**

The purpose of this measure is to require an offeror for a construction contract subject to chapter 103D, Hawaii Revised Statutes, to:

- (1) Be a party to an apprenticeship agreement that is registered with the Department of Labor and Industrial Relations at the time of general bidding; and
- (2) Subject a contractor to sanctions for failure to comply with apprenticeship agreement.

This measure provides that, at the time of general bidding, an offeror for a construction contract with a total estimated contract value of \$250,000 or more shall be a party to the apprenticeship agreement.

Your Committee finds that a well-trained, construction-trades work force is critical to state and county public works, which are conducted on a regular basis. The safe, efficient, and economical construction of public works will be threatened if there is a lack of well-trained construction workers. By providing for the use of apprentices on public works projects, state and county government can create opportunities, in partnership with private industries, for training that will help ensure a well-trained work force for future public works construction.

Your Committee has amended this measure by:

- (1) Deleting references to an apprenticeship since this provision is contained in S.B. No. 687, S.D. 2;
- (2) Adding the provisions of S.B. No. 687, S.D. 1, relating to responsible construction contractor law, without reference to apprenticeship;
- (3) Adding a bid preference for a contractor on public works project who is a party to an apprenticeship agreement registered with the Department of Labor and Industrial Relations;
- (4) Requiring a contractor or subcontractor on public works projects to classify all workers as employees; and
- (5) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1125, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1125, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 779 Judiciary and Government Operations on S.B. No. 203**

The purpose of this measure is to require that the Regulated Industries Complaints Office (RICO) of the Department of Commerce and Consumer Affairs issue a citation and a cease and desist order when an investigator determines that a person is acting as a contractor without a valid license and to amend penalty amounts for violations.

This measure increases the fines for violation of chapter 444, Hawaii Revised Statutes, regarding unlicensed persons performing contracting activities that require a license. Your Committee finds that unlicensed contractor activity would be deterred by increasing the financial penalty for violations. Unlicensed contracting activity is an ongoing and serious concern and fines must be sufficient to deter and punish violators.

Your Committee has amended this measure by:

- (1) Deleting section 1, relating to issuance of a citation, upon mutual agreement of the Regulated Industries Complaints Office, representatives of the contractors, and organized laborers; and
- (2) Changing the effective date from January 1, 2015 to upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 203, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 203, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Gabbard).

**SCRep. 780 Judiciary and Government Operations on S.B. No. 572**

The purpose of this measure is to:

- (1) Allow condominium associations to increase the amount of unpaid common assessments that an association may collect against the subsequent owner of a foreclosed property; and
- (2) Allow an association to offer assistance to a disabled, elderly, or disabled non-owner resident who is having difficulty living independently.

Your Committee finds that mortgage foreclosures impact condominium and apartment owners associations when the owner of a foreclosed property fails to pay association maintenance fees. The association continues to be responsible for the upkeep and maintenance of the common areas and provision of common benefits such as water, electricity, and maintenance staff of the property regardless of whether it receives all of the fees that are due to it. Your Committee believes that the maximum amount that an association can assess under the current law is insufficient to cover the actual maintenance costs incurred.

Your Committee further finds that an association and its members should be supported in their good faith efforts to assist fellow residents who have difficulty living independently. The current law protects an association from liability for good faith efforts to assist elderly residents who may be in need of assessment or social services in order to maintain independent living and avoid harm to self or others. This measure expands an association's ability to offer the same assistance to disabled owner residents and disabled non-owner residents.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to continue the discussions in this matter; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 572, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 572, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 781 (Majority) Judiciary and Government Operations on S.B. No. 1624**

The purpose of this measure is to afford the Legislature the flexibility to use any excess in the general fund balance to balance the state budget.

At present, article VII, section 6, of the Constitution of the State of Hawaii requires that whenever the state general fund balance at the close of each of two successive fiscal years has a surplus that exceeds five per cent of general fund revenues for each respective fiscal year, the Legislature in the next regular session shall provide for a tax refund or tax credit to the taxpayers of the State, as provided by law.

While this provision may make eminent sense during times of an economic up cycle, it may not be appropriate during an economic downturn, as it requires the Legislature to pay out the surplus in the form of a tax credit or refund precisely at a time when fiscal shortages are anticipated.

This measure will correct this deficiency by authorizing the Legislature to provide either a tax refund or credit with the surplus or depositing it into the emergency and budget reserve fund, which was established by the Legislature to provide a supplemental source of funding for the State during times of emergency, economic downturn, or unforeseen reduction of revenues. Through the emergency budget and reserve fund, the State will be able to use the funds to:

- (1) Maintain programs essential to the public health, safety, welfare, and education;
- (2) Provide for counter cyclical economic and employment programs in periods of economic downturn;
- (3) Restore facilities destroyed or damaged or service disrupted by disaster; and
- (4) Meet other emergencies when declared by the Governor or determined to be urgent by the Legislature.

Your Committee finds that with this flexibility to respond appropriately in times of an economic up cycle, as well as times of economic downturn, the Legislature will be better able to apply surplus revenues to address the current circumstances and ensure that the needs of the State and its people are met. This flexibility is clearly important, especially in light of the present local, national, and global economic situation, which threatens the State's ability to maintain essential services.

Your Committee has amended this measure by clarifying the language in the ballot question to accurately reflect the substance of the constitutional amendment.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1624, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1624, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 2 (Bunda, Nishihara).

**SCRep. 782 Judiciary and Government Operations on S.B. No. 764**

The purpose of this measure is to ensure that residents of Hawaii remain employed, that businesses continue to operate and pay wages and taxes, and that financial failures be reduced by establishing a fair and reasonable standard for lease provisions in long term industrial and commercial property leases.

Specifically, this measure:

- (1) Requires, for leases existing on July 1, 2009 or entered into thereafter, that include provisions for rent renegotiation during the term of the lease and renegotiated rents based on fair and reasonable annual rent as of the commencement of the term, that those provisions:
  - (A) Be construed to require that the rent shall be fair and reasonable to both the lessor and the lessee to the lease; and
  - (B) Take into account the uses and intensity of use approved by the lessor, and the surface and subsurface characteristics of the site and the neighborhood on the renegotiation date; and



- (2) Requires, unless otherwise specified in the lease, that subtenants with subleases that provide for recovery by the lessee of ground lease rent be charged their pro-rata share of the fair and reasonable annual rent as renegotiated.

Your Committee finds it necessary to alleviate the economic consequences of allowing unfair and unreasonable rent increases for commercial and industrial properties until the local economy improves. However, your Committee has concerns regarding the definition of "reasonable rent".

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 764, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 783      Judiciary and Government Operations on S.B. No. 580**

The purpose of this measure is to subject to forfeiture proceedings persons who violate statutes and rules relating to conservation and resources, the protection of caves, historic preservation, and the Kaho'olawe Island Reserve.

The Hawaii Supreme Court in the case of *Carlisle v. One (1) Boat, et al.* (No. 26995, November 17, 2008), held that the State's forfeiture laws, and the Department of Land and Natural Resources administrative rules, as applied to natural resource violations do not provide the requisite specificity to authorize forfeiture claims by the State.

This measure provides the Kaho'olawe Island Reserve Commission with statutory authority to participate in the State's forfeiture program as an additional civil remedy to address violations of statutes and rules relating to the Commission. Additionally, this measure reaffirms the Department of Land and Natural Resources' authority regarding the forfeiture program and directs the Department to adopt necessary rules.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussions on the issue.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 580, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 580, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 784      Judiciary and Government Operations on S.B. No. 667**

The purpose of this measure is to prohibit a public employer from discharging, threatening, or otherwise discriminating against a public employee regarding the public employee's compensation, terms, conditions, location, or privileges of employment because the public employee, or a person acting on behalf of the public employee, reports or is about to report to the public employer or a public body, verbally or in writing:

- (1) Any violation of a federal, state, or local law, rule, ordinance, or regulation;
- (2) Any specified action by a public employer or a public employee that relates to performance of official duties, is economically wasteful, or involves gross misconduct, incompetence, or inefficiency; or
- (3) Any condition that may significantly threaten the health or safety of the public or the public employee; provided that the disclosure is made for the purpose of remedying the condition.

Your Committee finds that public employees should feel protected from employers' retaliation if they report government waste, gross misconduct, incompetence, or inefficiency.

Your Committee has amended this measure by:

- (1) Clarifying that the public employee may report fraudulent activity, a gross waste of funds, gross misconduct, abuse of authority, or violation of a well-established, articulated, clear, and compelling public policy; and
- (2) Deleting the section of the measure relating to the Ombudsman.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 667, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Nishihara).

**SCRep. 785      Judiciary and Government Operations on S.B. No. 58**

The purpose of this measure is to allow automobile insurers to exclude specified household members from coverage under an automobile insurance policy.

Your Committee finds that broad motor vehicle insurance coverage is generally consistent with public policy. The Hawaii Supreme Court has construed Hawaii law to the effect that a relative of a named insured, even if temporarily absent and living elsewhere, is nevertheless a resident of the named insured's household and therefore is covered under the named insured's policy. See *Mikelson v.*

*United Services Automobile Ass'n*, 107 Hawai'i 192, 111 P.3d 601 (2005). This broad interpretation of coverage may from time to time result in severe hardship to certain consumers. Under this broad interpretation of coverage, it is possible that an insured with a good driving record may be unable to find affordable insurance coverage, if the insured resides with a relative who has an extensive history of serious moving violations or costly insurance claims.

Your Committee has amended this measure by:

- (1) Adding to the prescribed endorsement language, a section to require the signed acknowledgement of the excluded driver;
- (2) Making the excluded driver eligible for an assigned claim in the event of an accident;
- (3) Prohibiting an excluded person from operating a motor vehicle and providing penalties;
- (4) Prohibiting the insured driver from permitting an excluded person to drive the insured vehicle and providing penalties;
- (5) Excluding from assigned claims a named insured who has rejected in writing the offer of uninsured motorist coverage;
- (6) Deleting reference to non-applicability to commercial vehicles; and
- (7) Changing the effective date to July 1, 2050 to continue discussions in this matter and repealing this measure on an unspecified future date.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 58, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 786      Judiciary and Government Operations on S.B. No. 1350**

The purpose of this measure is to increase the affordable housing stock in the urban core of Honolulu by establishing reserved housing requirements for certain planned developments of the Hawaii Community Development Authority (Authority).

Specifically, this measure, among other things:

- (1) Establishes reserved housing requirements for planned developments in the Kakaako mauka area on lots of at least 80,000 square feet and lots between 20,000 and 43,559 square feet;
- (2) Allows in lieu cash payments to the Authority as an alternative to fulfilling the reserved housing requirements;
- (3) Redefines "reserved housing" to reassert the 140 per cent of median income requirement for eligible families; and
- (4) Provides for the adoption of applicable rules by means of an expedited process and indicates for what planned developments applications may or may not be accepted or processed by the Authority, pending adoption of such rules.

Your Committee finds that the highest cost item for families in Hawaii is housing. More needs to be done to address the affordable housing issue, or families will continue to move down the economic social ladder.

This measure addresses the shortage of reserved housing units in the urban core of Honolulu. This focus makes sense because demand for affordable housing in Kakaako is high and the urban core is where most of the jobs are. Furthermore, the fast-tracking afforded by this measure creates the potential for faster development of affordable housing and construction activity, both of which are urgently needed.

Your Committee has amended this measure by:

- (1) Deleting the purpose section;
- (2) Increasing the reserved housing requirement to at least sixty per cent of the countable floor area for planned developments of at least 80,000 square feet, effective five years from the effective date of the measure;
- (3) Deleting the 20 per cent reserved housing requirement for planned developments with multi-family dwelling units between 20,000 and 43,559 square feet, and completely exempting the reserved housing units for properties of one acre or less;
- (4) Requiring that reserved housing units be built prior to or concurrent with a planned development;
- (5) Deleting the provision regarding when reserved housing floor area or units need not be developed on the same lot as the planned development;
- (6) Improving the economic feasibility of the reserve housing program by providing for the transfer or sale of excess housing credits between Kakaako planned developments, and requiring the Authority to review, among other things, the amount and price for the transfer of excess credits and make adjustments, if necessary;
- (7) Allowing the Authority to accept in lieu cash payments as an alternative to requiring the fulfillment of reserved housing requirements for properties less than 80,000 square feet;
- (8) Deleting the section amending section 206E-4, Hawaii Revised Statutes, and revising section 206E-31.5, Hawaii Revised Statutes, instead, to prohibit the construction of "substitute housing" in areas where residential development is prohibited under section 206E-31.5; and
- (9) Exempting any major development for which a building permit is pending from being subject to the rules adopted pursuant to this measure, and clarifying that such developments are subject to the statutes and rules in effect on the date of the building

permit application for a period of five years from the effective date of the Act, after which time the provisions of this Act are applicable to any unbuilt portions of the development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1350, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Gabbard).

**SCRep. 787 (Majority) Judiciary and Government Operations on S.B. No. 1085**

The purpose of this measure is to prohibit the Board of Land and Natural Resources from selling, exchanging, or otherwise alienating ceded lands in the public land trust.

Your Committee believes that it is necessary to reaffirm the Legislature's sole authority under the Constitution of the State of Hawaii to address and oversee the management of the ceded land trust.

Your Committee also finds that a moratorium on the sale or transfer of ceded lands until the issues and claims between Native Hawaiians and the State regarding these lands are resolved is essential to fulfill the Legislature's fiduciary duty to preserve the corpus of the public land trust. This measure preserves the public land trust to ensure the availability of those lands for a fair and just settlement leading to reconciliation with the Native Hawaiian people.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive stylistic changes; and
- (2) Inserting an effective date of July 1, 2050, to ensure ongoing discussions and further consideration on this very important issue.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1085, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1085, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 1 (Gabbard).

**SCRep. 788 (Joint) Ways and Means and Judiciary and Government Operations on S.B. No. 231**

The purpose of this measure is to require that all fees collected by the Judiciary for all applications made by parolees and probationers for transfer to out-of-state supervision be deposited into the probation services special fund instead of the general fund.

This measure also authorizes funds from the probation services special fund to be used to fund a full-time coordinator to supervise interstate transfers of adult offenders. The Judiciary's expenditures from the fund would also be limited to \$400,000 in any fiscal year.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that a full-time coordinator is necessary to oversee the transfers of parolees and probationers from Hawaii to out-of-state jurisdictions. Your Committee also finds that the interstate transfer program should be self-sufficient, generating sources of revenue to offset administrative costs. The fees paid by parolees or probationers will defray some of the costs of administering the interstate transfer program.

Your Committee believes that by using the fees to fund the interstate transfer program, the Judiciary should be able to keep expenditures from the probation services special fund under \$400,000 each fiscal year.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this issue.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 231, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 231, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 15. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 789 Ways and Means on S.B. No. 1230**

The purpose of this measure is to address the loss of tax revenue from real property transactions involving non-resident sellers and from transactions involving the transfer of ownership of legal entities that hold real property interests.

Your Committee finds that the economic recession dictates that the State improve and fully maximize the collection of taxes in all areas of economic activity. This includes complex transactions involving the purchase, transfer, or exchange of real property located in Hawaii through the sale or exchange of ownership interests in legal entities. Under present law, many of these complex transactions involving the transfer of real property occur tax free and some even escape the payment of conveyance taxes.

Accordingly, your Committee has replaced the contents of the measure with provisions to create a new tax that is separate from the conveyance tax and is imposed on an individual or entity engaged in the sale of any ownership interest or partial ownership interest of an entity that holds real property located in Hawaii. The newly created tax would assess a fair tax on transactions designed to avoid liability under the conveyance tax.

Your Committee also finds that in testimony presented in the previous subject matter committee, this new tax was suggested as a good dedicated source of funding for culturally significant places and programs such as Mauna Ala, Iolani Palace, and the Bishop Museum.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1230, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1230, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 790      Ways and Means on S.B. No. 1260**

The purpose of this measure is to eliminate a disincentive to air pollution reduction by removing the cap on fees for air pollution emissions.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that covered source permit holders must pay fees per ton of regulated air pollutant emitted annually. These fees fund the Clean Air Branch of the Department of Health and other programs. Covered source permit holders, however, are not assessed fees for emissions in excess of four thousand tons per year. Your Committee believes that this is inequitable for covered source permit holders that emit fewer than four thousand tons per year, while allowing polluters who exceed the cap no additional fines or penalties.

Your Committee has amended the measure by changing the effective date to January 1, 2099, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1260, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1260, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 791      Ways and Means on S.B. No. 1228**

The purpose of this measure is to clarify that commercial fishing operations operating for at least one year, in addition to other vessel owners, may transfer ownership without terminating the right to moor or operate the vessel under the necessary permits.

Your Committee received twelve written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1228, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1228, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 792      Ways and Means on S.B. No. 1164**

The purpose of this measure is to enact the Interstate Compact on Educational Opportunity for Military Children.

More specifically, the purpose of the Interstate Compact on Educational Opportunity for Military Children is to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents by:

- (1) Facilitating the timely enrollment of children of military families and ensuring that they are not placed at a disadvantage due to difficulty in the transfer of education records from the previous school district or variations in entrance and age requirements;
- (2) Facilitating the student placement process through which children of military families are not disadvantaged by variations in attendance requirements, scheduling, sequencing, grading, course content, or assessment;
- (3) Facilitating the qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities;
- (4) Facilitating the on-time graduation of children of military families;
- (5) Providing for the adoption and enforcement of administrative rules implementing the provisions of this compact;
- (6) Providing for the uniform collection and sharing of information between and among member states, schools, and military families under this compact;
- (7) Promoting coordination between this compact and other compacts affecting military children; and
- (8) Promoting flexibility and cooperation between the educational system, parents, and the student in order to achieve educational success for the student.

This measure also addresses issues that are specific to Hawaii, including Hawaii's tuberculosis clearance requirement, and allows children of deployed service members to finish the school year at the school where they are currently enrolled while in the custody of a guardian.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that children of military families face inordinate stresses due to relocations between states or overseas. On average, most military children move at least twice during their high school years. The lack of consistency between states creates difficulty for military families and results in some educational obstacles. Your Committee further finds that participation in the compact will help minimize the effects of these stresses and ease transition for children of military families. Your Committee believes that aiding the often stressful school transitions of military children benefits both the military families and the schools that educate these children.

Your Committee amended this measure by:

- (1) Clarifying that rules adopted under this compact shall have the force and effect of law;
- (2) Adding language to repeal this measure on July 1, 2011, to allow the Legislature to revisit the issue in two years;
- (3) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (4) Making technical amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1164, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 793 (Majority) Ways and Means on S.B. No. 1122**

The purpose of this measure is to convert certain exempt state positions to civil service status.

Your Committee received eight written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is a follow up to Act 253, Session Laws of Hawaii 2000, which expressly intended to implement two constitutional mandates--that there be a civil service based on merit and that public employees have the right to bargain collectively. Specifically, this measure is, in large part, a section-by-section amendment of Act 300, Session Laws of Hawaii 2006, which authorized, but did not require, that several exempt civil service positions be subject to the civil service laws. This measure requires that those same positions now be subject to the civil service laws.

Your Committee has amended this measure by:

- (1) Correcting text that is inconsistent with the Hawaii Revised Statutes;
- (2) Clarifying that certain exempt positions shall be repealed three years "after it is established" rather than every three years; and
- (3) Conforming certain proposed language to the existing style in the Hawaii Revised Statutes with respect to establishing positions pursuant to civil service laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1122, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1122, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Ayes with Reservations, 1 (Kidani). Noes, 1 (Hemmings). Excused, 1 (Kokubun).

**SCRep. 794 Ways and Means on S.B. No. 1066**

The purpose of this measure is to increase the number of Directors for the Natural Energy Laboratory of Hawaii Authority from eleven to thirteen.

Specifically, this measure adds two tenant members to the Board of Directors. These tenant member positions shall be filled by tenants of the Natural Energy Laboratory of Hawaii Authority who have been elected by the tenants of the Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that it is in the best interest of the Natural Energy Laboratory of Hawaii Authority to have its tenants be represented on the Board of Directors. The inclusion of two tenants on the governing board of the Natural Energy Laboratory of Hawaii Authority gives the board the benefit of input from its tenants while ensuring that the tenant members are recused from voting on matters in their self-interest, such as setting lease rents, water rates, and utility rates.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1066, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1066, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 795      Ways and Means on S.B. No. 1057**

The purpose of this measure is to improve water safety in the State.

Specifically, this measure establishes a temporary water safety task force to investigate and examine the dangers of retention ponds and to recommend appropriate safety measures.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that unregulated and poorly maintained rainwater detention and retention ponds can pose a potential health and safety risk, especially to children who might mistake these ponds for recreational bodies of water. Your Committee believes that the safety measures recommended by the water safety task force will help to protect children from drowning.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1057, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1057, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 796      Ways and Means on S.B. No. 1053**

The purpose of this measure is to amend chapter 343, Hawaii Revised Statutes, relating to environmental impact statements, to allow a state or county agency that is proposing an action involving the use of state or county lands to designate the person who is the actual proposed user of the lands to prepare and fund the environmental assessment and, if necessary, an environmental impact statement.

Your Committee has received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

The process of preparing, reviewing, and amending environmental assessments and environmental impact statements is very time-consuming and costly. In many instances where a state or county agency is proposing the use of state or county lands, the actual proposed end-user of the state or county lands is an entity other than a state or county agency. Your Committee believes that, in these cases, it is only fair and equitable that the ultimate beneficiary of the use of the state or county lands bear that costs of preparing, reviewing, and amending any environmental assessment or environmental impact statement required by the proposed action.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive for the purposes of clarity and consistency; and
- (2) Amending the effective date to July 1, 2050, to allow further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1053, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1053, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 797      Ways and Means on S.B. No. 1046**

The purpose of this measure is to appropriate funds to the University of Hawaii for the Hawaii Quentin Burdick rural health interdisciplinary training program.

Your Committee received one comment on this measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that the Hawaii Quentin Burdick rural health interdisciplinary training program is sponsored by the University of Hawaii school of nursing and dental hygiene. The Program provides opportunities for health science and education students from the University of Hawaii at Manoa to participate on interdisciplinary teams at rural sites with faculty and community members. Your Committee believes that continued support of the Program will not only improve the education of many students in health care curriculums, but also assist the State in alleviating the shortage of health professionals in underserved rural communities.

Your Committee has amended this measure by changing the effective date to July 1, 2090 for the purposes of continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1046, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1046, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 798      Ways and Means on S.B. No. 921**

The purpose of this measure is to abolish the Statewide Council on Independent Living in order to conform to federal guidelines for states to receive federal financial assistance for independent living services under title 29 United States Code section 796d.

Your Committee received two comments on this measure.

Copies of written comments are available for review on the Legislature's website

Your Committee finds that, in order to be eligible to receive relevant federal funds, a state is prohibited from establishing its statewide independent living council as an entity within a state agency. Your Committee believes that this measure will bring the State into compliance with federal law to enable Hawaii to remain eligible to receive relevant federal funds.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 921, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 799      Ways and Means on S.B. No. 713**

The purpose of this measure is to provide for the continuation of the Emergency Environmental Workforce program during the current period of national military crisis and economic recession.

This measure also appropriates unspecified amounts for fiscal years 2009-2010 and 2010-2011, to be administered by the Research Corporation of the University of Hawaii, to continue the services under the Emergency Environmental Workforce program.

Your Committee finds that the Emergency Environmental Workforce program established by Act 4, Third Special Session Laws of Hawaii 2001, following the September 11, 2001 attacks, was successful in providing short-term employment to recently laid-off workers. Your Committee believes that appropriating funds to continue the Emergency Environmental Workforce program during the current local, national, and global economic downturn will provide needed employment to struggling families and serve as a safety net to mitigate the effects of the national recession.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 713, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 713, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 800      Ways and Means on S.B. No. 523**

The purpose of this measure is to increase opportunities under the high technology research and development loan and grant program.

The measure requires the High Technology Development Corporation to make grants to any business in Hawaii that:

- (1) Receives a federal small business innovation research phase I award or contract or federal small business technology transfer program award or contract, of up to fifty per cent of the amount of the federal award or contract;
- (2) Applies for a small business innovation research or small business technology transfer program federal grant.

Your Committee finds that state matching grants from the High Technology Development Corporation to Hawaii companies that receive small business innovation research phase I awards and small business technology transfer awards greatly enhance the local company's project development, thereby helping the company to develop stronger proposals for the more lucrative federal phase II awards and, ultimately, to commercializing their innovations successfully and profitably.

Your Committee has amended this measure by:

- (1) Authorizing, rather than requires the High Technology Development Corporation to provide the matching grants;
- (2) Requiring that, in making matching grants, the High Technology Development Corporation give priority to Hawaii businesses that receive a federal small business innovation research award or apply for an award or small business technology transfer for the first time; and
- (3) Changing the effective date of this measure to July 1, 2050, to allow for further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 523, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 523, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 801      Ways and Means on S.B. No. 485**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Carbon Diversion, Inc., or a partnership in which Carbon Diversion, Inc. is a general partner, for the development of cogeneration and energy production facilities.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that non-fossil fuel production is important to the State. Currently, the State relies upon imported petroleum for about ninety per cent of its energy production. Your Committee also finds that Carbon Diversion, Inc.'s cogeneration and energy production facilities have the capability of converting organic feedstock and other sources of non-fossil fuel into energy. Your Committee believes that alternative energy sources are vital to reducing the State's dependence on imported oil.

Your Committee has amended the measure by changing the bond authorization amount to an unspecified amount and changing the effective date to January 1, 2045, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 485, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 485, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 802      Ways and Means on S.B. No. 178**

The purpose of this measure is to establish a food waste recycling pilot project in one or more public schools.

More specifically, this measure requires the Department of Education, in partnership with the Department of Health, to develop and implement a three-year food waste recycling pilot project in one or more public schools. This measure also appropriates funds for the pilot project.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that waste disposal is an issue of critical importance in Hawaii. Landfills on all islands are approaching or have already reached their maximum capacities. In addition, efforts to expand or relocate landfills are met with widespread opposition. Your Committee also finds that public schools are among the largest institutional sources of food waste. Your Committee further finds that current recycling efforts reduce only a fraction of the solid and liquid waste generated by schools.

Your Committee amended this measure by changing the effective date to July 1, 2070, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 178, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 178, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 803      Ways and Means on S.B. No. 109**

The purpose of this measure is to adopt the new Interstate Compact for Juveniles, which will enable Hawaii to participate in the new interstate compact. The existing Interstate Compact on Juveniles, codified as chapter 582, Hawaii Revised Statutes, will expire on December 15, 2009.

Specifically, this measure:

- (1) Adopts the new Interstate Compact for Juveniles;
- (2) Repeals the existing compact; and
- (3) Appropriates funds for administrative expenses of the compact.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the adoption of an interstate compact ensures supervision of juveniles from state to state and ensures the return of juvenile runaways, escapees, and absconders to the supervising state, thus preventing juveniles from committing other crimes or becoming victims themselves.

Your Committee further finds that the existing compact will expire on December 15, 2009, and that thirty-five states have already adopted the new interstate compact. If the new compact is not adopted by December 15, 2009, the State will no longer have the procedural means to regulate the movement across state lines or the return of juveniles, who are under court supervision, or the return of runaways, absconders, or escapees with the states that have already adopted the new compact. Your Committee believes that adopting the new Interstate Compact for Juveniles will ensure that juvenile runaways, escapees, and absconders, regardless of state residence, receive the best possible services to avoid future civil or criminal offenses, both as juveniles and as adults. Hawaii's participation in the new compact is important for the proper accountability and care of juveniles transferred across state lines to promote public safety, as well as the appropriate care and treatment of juveniles.

Your Committee has amended the measure by:



- (1) Changing the amount appropriated to an unspecified amount;
- (2) Changing the effective date to July 1, 2009 to facilitate further discussion; and
- (3) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 109, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 109, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 804            Ways and Means on S.B. No. 442**

The purpose of this measure is to encourage the delivery of new and preservation of existing mixed-use affordable housing as part of transit oriented development.

Specifically, this measure provides incentives to facilitate the development of affordable housing in well-designed transit oriented development and improve the coordination of housing and transportation planning at all levels of government by:

- (1) Authorizing the Hawaii housing finance and development corporation to:
  - (A) Grant funds to affordable housing developers to contract for third-party review and certification to facilitate compliance with the various building codes, ordinances, rules, and other requirements of a county; and
  - (B) Expedite the process and issuance of building permits for an affordable housing project that is part of a transit oriented development;
- (2) Appropriating \$500,000 in fiscal year 2009-2010 and \$500,000 in fiscal year 2010-2011 for the grants; and
- (3) Establishing a commission on transit oriented development and appropriating an unspecified amount for the commission.

Your Committee received one comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that a shortage of affordable housing remains a critical concern for the State and that the City and County of Honolulu's mass transit project offers exceptional opportunities for the development of affordable housing.

Your Committee has amended this measure by changing its effective date to July 1, 2050, for the purpose of facilitating further discussion. Your Committee also made technical nonsubstantive amendments for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 442, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 442, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 805            Ways and Means on S.B. No. 486**

The purpose of this measure is to authorize the issuance of special revenue bonds for BioEnergy Hawaii, LLC.

Your Committee finds BioEnergy Hawaii, LLC, processes nonfossil fuel feedstock to produce electricity and uses the process exhaust in related bio-energy production facilities to convert micro-algae. Your Committee also finds that BioEnergy Hawaii, LLC, is engaged in the development of a cogeneration facility project that will sell the electricity it produces to an electric facility that serves the public. Your Committee further finds that it is in the public interest to encourage the development of facilities that reduces the State's reliance on fossil fuels.

Your Committee has amended this measure by:

- (1) Changing the amount of special purpose revenue bonds authorized to an unspecified amount; and
- (2) Changing the effective date to July 1, 2070, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 486, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 486, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 806            Ways and Means on S.B. No. 602**

The purpose of this measure is to authorize the use of bond proceeds deposited into the State's works of art special fund to support a broader range of art acquisition and creation during the period between 2009 through December 12, 2011.

The measure also defines two new terms: "works of art," which include live performances and permanent displays of art and "permanent display," which includes preservation of live performances on film by visual and audio recording from digital or electronic media.

Your Committee received two written comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide much needed support for culture and the arts in Hawaii by taking advantage of the increase in the state bond funds that will be used to stimulate the economy through construction of transportation infrastructure and school facility renovations and repair, one per cent of which will be deposited into the works of art special fund.

Your Committee finds that art includes live performances such as ballet, opera, theater, modern dance, and vocal performances. By adopting a broad definition of the term "works of art," the special fund can be used to support the preservation of live performances as well as inanimate art pieces. Your Committee believes that the Bernice Pauahi Bishop Museum and Iolani Palace possess rare and significant works of art that should be supported by the works of art special fund. The art in public places and relocatable works of arts programs express the State's cultural, creative, and traditional art of our various ethnic groups, and enrich the lives of residents and visitors.

Your Committee has amended the measure by mandating the works of art special fund to support the by Bernice Bishop Museum and Iolani Palace with costs associated with acquisition, site modifications, display, upkeep services, including maintenance and repair, restoration, and interpretive services to exhibit works of art.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 602, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 602, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 807      Ways and Means on S.B. No. 800**

The purpose of this measure is to assist the State Commission on Fatherhood by providing a strategic plan, increasing a member's term to four years with a limit of two terms, and appropriating funds for administrative expenses.

Your Committee finds that the mission of the State Commission on Fatherhood, established in 2007, is to promote healthy family relationships, create nurturing relationships between children and both of their parents, and provide families with guidance and support. Your Committee also finds that the Commission requires an Executive Director and staff to carry out its strategic plan. Also, in order to retain membership, the length of members' terms should be increased to provide continuity to allow the commission to carry out its plans.

Your Committee has amended the measure by:

- (1) Deleting the appropriation section and renumbering the remaining sections;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this issue; and
- (3) Making technical, nonsubstantive changes and conforming amendments to the purpose section for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 800, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 800, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 808      Ways and Means on S.B. No. 1141**

The purpose of this measure is to require the Department of Land and Natural Resources to offer for sale parcels of Sand Island Industrial Park to current leaseholders of the parcels. The measure also allows for an exchange of like property in lieu of a fee sale.

Your Committee received three written comments on the measure. The written comments are available for review on the Legislature's website.

Your Committee finds that the Sand Island Business Association, a nonprofit organization comprised of subtenant members, entered into a fifty-five-year lease with the Department of Land and Natural Resources on July 1, 1992. The lease required the Sand Island Business Association to construct all of the infrastructure improvements; sublease one hundred eleven lots to existing month to month lessees; and manage the Sand Island Industrial Park, which includes the collection of rent from its sublessees on behalf of the Department. In 1999, the Sand Island Business Association completed the infrastructure improvements at a cost of more than \$41,000,000, and individual members of the Association have invested more than \$20,000,000 dollars in leasehold improvements to their individual lots.

Over the last few years, Sand Island Business Association members have expressed a strong desire to purchase the fee interest of their leasehold lots to secure the substantial investment they have made in Sand Island Industrial Park. Your Committee further finds that as the lease period shortens, it will become more difficult for the Sand Island Business Association members to rely upon their leasehold property as an asset when attempting to secure bank loans for further improvements.

Your Committee believes that offering the fee interest to the members of the Sand Island Business Association will allow the members to more easily secure capital loans to expand their businesses and increase the overall economic activity in the area. Fee interest ownership will also remove any fear by members of losing their capital investments at the end of their lease and instill greater confidence in them to invest more in their businesses than they would have otherwise. Finally, greater economic activity, especially

during the current recession, will generate more employment and create more small businesses to support the economic activity produced by a rejuvenated Sand Island Business Association.

Your Committee has amended the bill to:

- (1) Change the requirement of disapproval by two-thirds of either house of the Legislature or majority of both to approval of a concurrent resolution by two-thirds majority of both houses;
- (2) Changing the effective date of the measure to January 1, 2045, to facilitate further discussion; and
- (3) Make technical nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1141, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 809            Ways and Means on S.B. No. 1173**

The purpose of this measure is to establish energy-efficiency initiatives necessary for and contributing to the transition of Hawaii's energy sector to non-petroleum sources.

More specifically, this measure:

- (1) Establishes an energy-efficiency portfolio standard and directs the Public Utilities Commission to create all necessary parameters to implement the energy-efficiency portfolio standard;
- (2) Designates the Public Benefits Fee Administrator as responsible for achieving the energy-efficiency portfolio standards;
- (3) Directs the Public Utilities Commission to evaluate the energy-efficiency portfolio standards and to revise the standards if appropriate;
- (4) Requires each state department with responsibilities for design and construction of public buildings and facilities to benchmark existing buildings so that energy-efficiency may be evaluated;
- (5) Allows state departments to enter into energy savings performance contracts with third parties and establishes the parameters and procedures for such contracts;
- (6) Requires that existing public buildings be retro-commissioned not less than every five years, pursuant to guidelines created by the Energy Resources Coordinator;
- (7) Requires that energy consumption information be disclosed by the seller or lessor in the sale or lease of real property;
- (8) Authorizes a tax credit for each taxpayer who owns a net-zero energy building;
- (9) Directs the Public Benefits Fee Administrator to conduct energy-efficiency assessments to identify energy use patterns in the State and to identify and recommend energy-efficiency programs to target;
- (10) Directs the Public Benefits Fee Administrator to establish on-bill financing programs to encourage consumer acquisition of efficient electrical appliances and energy producing systems;
- (11) Requires the Public Benefits Fee Administrator to examine building codes and to develop and implement recommendations for increasing energy-efficiency for residential and commercial buildings; and
- (12) Revises the renewable energy technologies income tax credit to encourage use of solar energy systems and to permit a portion of the excess of the credit over payments due to be refunded to the taxpayer in certain circumstances.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide a necessary first step in aligning Hawaii's energy policy laws in order to achieve the State's energy goals.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2090, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1173, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1173, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Ayes with Reservations, 1 (Kidani). Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 810            Ways and Means on S.B. No. 1664**

The purpose of this measure is to temporarily codify a modified version of the Department of Labor and Industrial Relation's partial unemployment benefits program.

This measure authorizes eight weeks of benefits rather than the four weeks of partial unemployment benefits under current administrative practices.

Your Committee finds that a partial unemployment benefits program under the current economic situation will allow employers to reduce their full-time employees' hours instead of terminating them, while allowing the employees to collect certain benefits from their employer, as well as some partial unemployment benefits for a temporary period of time.

Your Committee has amended this measure by:

- (1) Clarifying the defined terms "full-time hours" or "full-time work" and "partial unemployment" or "partially unemployed" to reflect terminology used in the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1664, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1664, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 811 Ways and Means on S.B. No. 145**

The purpose of this measure is to clarify the transfer of responsibility for the repair and maintenance of equipment and fixtures in school facilities from the Department of Accounting and General Services to the Department of Education.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that this measure clarifies the intended responsibility of the Department of Education to maintain its own facilities, pursuant to Act 51, Session Laws of Hawaii 2004. Your Committee believes that this housekeeping measure will remove legal ambiguities with respect to the repair and maintenance of school facilities.

Your Committee believes, however, that providing an exemption to the Department of Education from the procurement code increases the likelihood of both fraud and waste.

Accordingly, your Committee has amended the measure by:

- (1) Deleting the exemption for the Department of Education from the procurement code requirements in chapters 103 and 103D, Hawaii Revised Statutes;
- (2) Changing the effective date of the measure to January 1, 2045, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 145, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 145, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 812 Ways and Means on S.B. No. 210**

The purpose of this measure is to specify certain factors the Department of Public Safety must consider prior to transferring an inmate between Hawaii correctional facilities or to an out-of-state correctional facility.

More specifically, the measure would require that the Department of Public Safety consider factors including whether:

- (1) The inmate is participating in family visitation and the location of the family;
- (2) The inmate is involved in a rehabilitation or other program that would be disrupted by a transfer; and
- (3) If another inmate has volunteered to be transferred.

Your Committee received two written comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that, currently, there are no statutes that govern the transfer of inmates between facilities within the State or to out-of-state facilities. This measure fills this void by establishing criteria that the Director of Public Safety must consider prior to any inmate transfer decision.

Your Committee believes that family support is a positive and motivating factor in the process of transitioning inmates back into society. The family creates a support group, separate from the correctional facility, that can motivate lawful obedience, alleviate stress, anger, and depression, and provide financial and emotional support. Your Committee believes that by requiring consideration of the family relationship in making transfer decisions, inmates will be given the best opportunity to succeed in the transition process.

Your Committee has amended the measure by:

- (1) Deleting the requirement that the director consider the location of the committed felon's family and whether the transfer would significantly disrupt family contact;

- (2) Changing the requirement that the Director of Public Safety not transfer an inmate with frequent extended visitations with a child to making it a factor for the Director to consider;
- (3) Changing the effective date to July 1, 2099, to facilitate further discussion on this issue; and
- (4) Making technical, nonsubstantive changes for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 210, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 210, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 813            Ways and Means on S.B. No. 242**

The purpose of this measure is to exempt businesses in a state enterprise zone that produce air conditioning from seawater from the general excise tax.

Specifically, this measure:

- (1) Includes companies that produce air conditioning from a seawater air conditioning district cooling system as a "qualified business" in a state enterprise zone; and
- (2) Pursuant to the enterprise zone law, exempts qualified businesses that produce air conditioning from a seawater air conditioning district cooling system from the payment of general excise taxes.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the construction and operation of the proposed downtown Honolulu seawater air conditioning district cooling system project has the potential to create many jobs and result in increased spending in the local economy. In addition to these economic benefits, this project is expected to reduce the amount of electricity used for air conditioning by downtown businesses and residents and reduce the quantity of fuel imported into the State to generate electricity. This is predicted to create significant cost savings for Hawaii's economy. This measure will assist the downtown Honolulu seawater air conditioning project to achieve these objectives and to acquire tax incentives in a state enterprise zone.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 242, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 814            Ways and Means on S.B. No. 417**

The purpose of this measure is to establish reimbursement guidelines for medicaid to hospitals and facilities with long-term care beds.

Specifically, this measure:

- (1) Requires that medicaid reimbursements to facilities with long-term care beds for patients with medically complex conditions who, prior to admission to the facility were receiving acute care services in an acute care hospital, shall be equal to the state reimbursement rate for subacute care;
- (2) Requires that the medicaid reimbursement rate to hospitals for patients occupying acute-licensed beds and waitlisted for long-term care shall be equal to the acute medical services payment rate; and
- (3) Appropriates \$6,200,000 out of the general revenues to fund increased medicaid reimbursements.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee believes that this measure will provide fair compensation to acute care hospitals and to long-term care facilities.

Your Committee has amended this measure by:

- (1) Changing the appropriated amount to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 417, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 417, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 815      Ways and Means on S.B. No. 809**

The purpose of this measure is to minimize the adverse effects homelessness on children by establishing a task force to coordinate resources available to homeless children.

The measure also specifies membership in the task force and requires the task force to establish findings and develop recommendations to coordinate private resources and submit interim and final reports to the Legislature. This measure further establishes and makes an appropriation to the kokua na keiki special fund and grant program under the Department of Human Services. The appropriation of general funds into the special fund as well as the appropriation out of the special fund for the task force are conditioned upon a determination by the Department of Human Services that federal funds may be appropriately expended by the Department of Human Services.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that homelessness can cause extreme physical and emotional stress in children. Consequently, homeless children are more likely to suffer from threats to their well-being such as poor physical and mental health, hygiene, weak academic performance, poor social interactions, and exposure to violence. Your Committee believes that a task force, with members having expertise in social services and homelessness, can coordinate and develop resources to help the State's homeless children.

Your Committee also finds that during this time of economic hardship, financial support from the State is limited. The measure reflects this economic reality by conditioning the appropriations on the availability of federal funds.

Your Committee has amended the measure by:

- (1) Specifying that the kokua na keiki special fund can only be established if the Department of Human Services determines that federal funds are available;
- (2) Changing the effective date to January 1, 2045, to facilitate further discussion; and
- (3) Making a technical nonsubstantive change.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 809, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 809, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 816      Ways and Means on S.B. No. 1179**

The purpose of this measure is to promote the establishment of a farm to school program in Hawaii's public schools.

Specifically, this measure:

- (1) Establishes a state farm to school policy in state law;
- (2) Directs the University of Hawaii to convene a working group to conduct a feasibility study on the potential of establishing a farm to school program in Hawaii's public schools; and
- (3) Appropriates funds to conduct the feasibility study.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the farm to school program is a well established national program and that the Kokua Hawaii Foundation has piloted efforts to develop this program in the State. Your Committee further finds that the intent of this measure is to give students the choice to eat healthier, to expand the market for local produce, and to relieve the State's dependence on imported foods.

Your Committee has amended this measure by:

- (1) Establishing a farm to school program and setting out its functions in the Department of Education;
- (2) Removing the provisions calling for the creation of a working group to conduct the feasibility study on establishing a farm to school program in state public schools;
- (3) Removing the appropriation of funds to conduct the feasibility study;
- (4) Changing the effective date to January 1, 2090, to facilitate further discussion on the measure; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1179, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1179, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 817      Ways and Means on S.B. No. 1205**

The purpose of this measure is to appropriate funds to the Department of Human Services for the establishment of a temporary health insurance program for unemployed persons.

This measure limits eligibility to unemployed persons without health insurance coverage who are willing to pay for the costs of coverage under the program. The program established under this measure is funded solely through funds received by the State from the federal American Recovery and Reinvestment Act of 2009.

Your Committee received one comment on the measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that the basic benefits package offered through the program established under this measure is similar to those provided by the Department of Human Services' QUEST-Net plan. This measure is intended to serve as a safety net to ensure medical coverage is provided to workers who, through no fault of their own, are unemployed and have lost their medical insurance coverage.

Your Committee has amended this measure by changing the effective date to July 1, 2090, to promote continued discussion of the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1205, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1205, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 818      Ways and Means on S.B. No. 1247**

The purpose of this measure is to require the Department of Taxation to evaluate certain tax credits and tax exemptions and compile the information necessary to enable the Legislature to evaluate whether to sunset any of those credits or exemptions.

More specifically, the purposes of this measure are to:

- (1) Implement an ongoing program of evaluation of those tax credits and tax exemptions that have no sunset dates;
- (2) Require the Department of Taxation and Department of Business, Economic Development, and Tourism to compile the necessary information to enable the Legislature to evaluate tax credits and exemptions with consistent standards; and
- (3) Sunset those credits and exemptions that the Department of Taxation and Legislature do not believe should be extended.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that tax credits and tax exemptions are important to the State's economic diversification. Your Committee further finds that as economic conditions change over time, the credits and exemptions may need to be extended or repealed to promote certain types of business activity. Without a regular evaluation of tax credits and exemptions, the Legislature will not be able to make effective adjustments to the State's tax credits and exemptions.

Your Committee amended this measure by:

- (1) Requiring the Department of Taxation, in evaluating the tax credits and exemptions, to post all data used to calculate revenue losses and other fiscal impacts, to ensure that information is timely and accurate;
- (2) Changing the effective date to July 1, 2070, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1247, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 819      Ways and Means on S.B. No. 1249**

The purpose of this measure is to provide incentives to attract, train, and retain public school teachers.

More specifically, the purpose of this measure is to:

- (1) Establish a teacher housing allowance program to provide housing allowances to public school teachers;
- (2) Establish a home ownership for educators program that offers deferred-interest second mortgages to qualified educators to be used to purchase residential dwelling units;
- (3) Establish the home ownership for educators second mortgage revolving trust fund;
- (4) Appropriate funds for the teacher housing allowance program;
- (5) Appropriate funds for the home ownership for educators second mortgage programs;

- (6) Appropriate funds for the management of the teacher housing program, including the renovation, repair, and maintenance of existing units;
- (7) Establish a peer review program for new teachers;
- (8) Provide incentive for experienced teachers to relocate to Hawaii; and
- (9) Require the Department of Education to submit reports to the Legislature on various issues in this measure relating to recruiting, training, and retaining teachers.

Your Committee finds that retaining qualified teachers in the public schools is critical to achieving the State's educational goals. Although their efforts have improved of late, the Department of Education has consistently struggled to hire the requisite number of teachers at the commencement of every school year. The incentives provided in this measure will assist the Department to not only recruit, but retain qualified teachers to provide a quality education for all students in the public school system.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2070, to encourage further discussion of this matter; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1249, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1249, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 820      Ways and Means on S.B. No. 1381**

The purpose of this measure is to authorize the Department of Health to use economic stimulus funds received by the State from the American Recovery and Reinvestment Act of 2009 to fund drinking water infrastructure projects and wastewater infrastructure projects.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that federal economic stimulus moneys received by the State should be used to repair and construct crucial drinking water and wastewater infrastructure throughout the State. Your Committee believes that this would be an appropriate use of these moneys as it would improve the State's public works infrastructure, provide jobs, and help stimulate Hawaii's economy.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1381, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1381, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 821      Ways and Means on S.B. No. 1668**

The purpose of this measure is to clarify public assistance eligibility requirements for the aged, blind, temporarily incapacitated, and disabled persons.

Specifically, this measure:

- (1) Clarifies:
  - (A) Public assistance eligibility requirements for aged, blind, disabled, and temporarily incapacitated persons; and
  - (B) That the aged, blind, disabled, and temporarily incapacitated households are required to apply for assistance on forms prescribed by the Department of Human Services;
- (2) Repeals the statute providing general assistance to households without minor dependents; and
- (3) Deletes references in other statutes to general assistance to households without minor dependents;
- (4) Authorizes the Director of Human Services, with the approval of the Governor, to expend funds for public assistance through the transfer of moneys from other programs under the purview of the Director of Human Services.

Your Committee received one written comment on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee believes that creating a single disability benefits program for those on disability assistance will ensure that these individuals receive the same level of assistance regardless of the type of disability. This will ensure that there are no disparities in benefits or obstacles to transferring funds between programs serving these populations.



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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1668, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1668, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 822      Ways and Means on S.B. No. 390**

The purpose of this measure is to clarify provisions of Act 204, Session Laws of Hawaii 2008, which requires the installation of a solar water heater on a single-family dwelling for which a building permit is issued after January 1, 2010.

Specifically, this measure:

- (1) Clarifies that the solar water heater mandate applies only to new single family dwellings;
- (2) Authorizes the public benefits fee administrator, instead of the energy resources coordinator, to approve a variance to the solar water heater requirement and requires the public benefits fee administrator to make the variance applications and determinations public; and
- (3) Directs the public benefits fee administrator to conduct a "post-installation verification inspection of the water heating technology".

Your Committee finds that this measure clarifies the provisions of Act 204, Session Laws of Hawaii 2008. Your Committee also finds that delegating the responsibility for approving variances and conducting compliance inspections to the public benefits fee administrator will take advantage of the administrator's advanced knowledge of solar energy technologies and water heating technologies as it applies to determining variance applications.

Your Committee recognizes that opinions differ on whether or not to allow gas-tankless water heaters to remain an allowable alternative to solar water heaters. Accordingly, your Committee finds that this issue merits further discussion and urges subsequent committees that may consider this bill to continue to explore this issue.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 390, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 390, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Galuteria, Hee, Hemmings).

**SCRep. 823      Ways and Means on S.B. No. 169**

The purpose of this measure is to establish the Hawaii health corps program to address physician shortages in rural areas of the State. The Hawaii health corps program consists of the loan repayment program and the recruitment program.

Specifically, this measure establishes a loan repayment program to be administered by the Department of Business, Economic Development, and Tourism, to attract repayment health care professionals to serve a minimum of two years and up to a maximum of five years in a health professional shortage area as designated by the Department of Health in return for repayment of qualifying educational loans for eligible expenses of education. A repayment health care professional is defined as a physician, family care practitioner, internist, pediatrician, obstetrician, general psychologist, or general practice dentist.

The measure establishes a companion health professional recruitment and retention program to recruit health professionals or public or private nonprofit entities or communities that employ a recruitment health professional to work in a recruitment health professional shortage area to be designated by the Department of Health. Eligibility and terms of services are the same as for the loan repayment program. Recruitment health professionals are defined as allopathic and osteopathic physicians (family practitioners, internists, pediatricians, obstetricians and gynecologists, and general psychiatrists), nurse practitioners, certified nurse-midwives, physician assistants, dentists, registered clinical dental hygienists, clinical or counseling psychologists, clinical social workers, psychiatric nurse specialists, mental health counselors, licensed professional counselors, marriage and family therapists, and health care specialists.

This measure further:

- (1) Provides for cancellation or suspension of the service obligation for certain reasons;
- (2) Payment of penalties for defaulting on the service contract;
- (3) Requires repayment health care professionals and recruitment health professionals to serve as first responders when a civil defense or other emergency is proclaimed;
- (4) Creates the Hawaii health corps special fund to be administered by the Department of Business, Economic Development, and Tourism to fund the loan repayment and recruitment programs;

- (5) Sets preferences for the two programs and gives priority to certain applicants including native Hawaiians and graduates of the University of Hawaii John A. Burns school of medicine, among others;
- (6) Limits the amount of the incentive for recruitment recipients to \$17,500 per year;
- (7) Limits the amount of the award for loan repayments to an amount not to exceed the maximum amounts permitted under 42 United States Code 254q-1;
- (8) Requires the Department of Business, Economic Development, and Tourism to:
  - (A) Award a minimum of thirty stipends of \$30,000 per recipient in the first year of the program, an additional thirty stipends of \$30,000 per recipient in the second year of the program, and an additional thirty stipends of \$30,000 per recipient in the third year of the program, and a maximum one hundred stipends annually thereafter; and
  - (B) Report annually to the Legislature on the status of the Hawaii health corps program; and
- (9) Appropriates unspecified sums for fiscal years 2009-2010 and 2010-2011 to fund the Hawaii health corps program.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee believes that the Hawaii health corps program is essential in attracting various health professionals to serve in various health professional shortage areas in the State.

Your Committee has amended this measure by:

- (1) Deleting references to the trauma system and the community health centers special funds;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) By making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 169, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 169, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 824 Ways and Means on S.B. No. 910**

The purpose of this measure is to transfer the functions and duties of the Homeless Programs Branch of the Hawaii Public Housing Authority to the Benefit, Employment, and Support Services Division within the Department of Human Services.

Your Committee received two written comments on this measure. Copies of written comments are available for review on the Legislature's website.

Your Committee finds that the Homeless Programs Branch of the Hawaii Public Housing Authority provides similar services and serves many of the same persons as the Benefit, Employment, and Support Services Division. Both agencies are housed within the Department of Human Services. This division of labor results in an overlap of efforts, failure to coordinate activities, and unnecessary expenditures by both agencies. Your Committee believes that consolidating homeless services within one agency will increase efficiency and streamline the provision of services to Hawaii's homeless population, both individuals and families.

Accordingly, your Committee finds that the Benefit, Employment, and Support Services Division is the more appropriate agency in which to consolidate homeless services, as it is currently equipped to offer programs such as job training, child care, and general assistance to the homeless.

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

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 910, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 825 Ways and Means on S.B. No. 884**

The purpose of this measure is to address the State's budget shortfall by transferring the excess balance from the deposit beverage container deposit special fund to the general fund.

Specifically, this measure:

- (1) Transfers an unspecified amount, determined to be in excess by the Legislature, from the deposit beverage container deposit special fund to the general fund;
- (2) Deletes the existing one cent and 1.5 cent deposit beverage container fees, and instead, directs the governor to set the deposit beverage container fee at a "reasonable" rate.

Your Committee received written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the current state budget deficit requires the State to identify sources of funds that may be used to alleviate the shortfall in revenues that the State is experiencing during the current state, national, and global economic downturn. Your Committee finds that the excess balance in the deposit beverage container deposit special fund is an appropriate source of moneys to help meet the cost of state obligations. In addition, your Committee finds that the excess balance in the wireless enhanced 911 fund would provide an additional source of funds to help alleviate the State's deficit. Finally, your Committee believes that the method of determining the deposit beverage container fee should continue to be a formulaic calculation based on the previous year's redemption rates, rather than leaving the amount of the fee at the Governor's discretion.

Accordingly, your Committee has amended this measure by:

- (1) Including the transfer of an unspecified amount, determined to be in excess by the Legislature, from the wireless enhanced 911 fund to the general fund;
- (2) Deleting the requirement for the Governor to establish the deposit beverage container fee at a "reasonable" rate, and restoring the previous amounts of the fee, one cent or 1.5 cents, based on the previous year's redemption rate;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 884, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 884, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Ayes with Reservations, 3 (Chun Oakland, Fukunaga, Tokuda). Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 826      Ways and Means on S.B. No. 807**

The purpose of this measure is to establish a recycling program in public schools and provide recycling bins on every public school campus in the State. This measure appropriates an unspecified amount of funds to be expended by the Department of Education to develop the program and provide recycling bins.

Your Committee finds that Hawaii's public schools produce tons of recyclable waste each year. The State's existing HI-5 recycling program encourages residents statewide to recycle aluminum, glass, and plastic beverage containers. Your Committee believes that providing recycling bins on public school campuses throughout the State will encourage greater numbers of students to participate in the State's beverage deposit recycling efforts.

Your Committee further finds that Hawaii's public schools also produce large amounts of food waste each year. Despite statewide policies, recycling efforts reduce only a fraction of the solid waste that is created. As landfills on all islands approach or have already reached their maximum capacity, it becomes imperative for the State to increase its efforts to divert solid waste from the waste stream. Your Committee finds that food waste recycling falls within the State policy to promote re-use and recycling to reduce solid and liquid wastes and employ a conservation ethic. Accordingly, your Committee believes that a three-year food waste recycling pilot project in one or more public schools may prove effective in establishing the benefits of food waste recycling as a part of the State's recycling efforts.

Your Committee has amended this measure by:

- (1) Inserting provisions of S.B. No. 178 that require the Department of Education to collaborate with the Department of Health to establish a three-year food waste recycling pilot project in one or more selected public schools;
- (2) Making an unspecified appropriation to develop and implement the food waste recycling pilot project;
- (3) Requiring the Department of Education and the Department of Health to submit preliminary reports to the legislature in 2010 and 2011 and a final report in 2012 on the food waste recycling pilot project;
- (4) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 807, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 807, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 827      Ways and Means on S.B. No. 696**

The purpose of this measure is to appropriate grants-in-aid to the counties to eradicate coqui frogs statewide.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the coqui frog is an injurious and invasive species. The loud shrill that is emitted by the frogs has wreaked havoc in many communities across the State. The control and eradication of coqui frogs is an ongoing effort that requires continued support to prevent coqui populations from reestablishing or spreading to new areas in the State.

Your Committee has amended this measure by:

- (1) Deleting the provisions that appropriated general fund revenues for grants-in-aid to eradicate coqui frogs;
- (2) Authorizing each of the counties to use a portion of its share of the transient accommodations tax to eradicate coqui frogs;
- (3) Requiring the counties that elect to use a portion of their share of the transient accommodations tax to do so by ordinance adopted before December 31, 2010; and
- (4) Changing the effective date to July 1, 2070, to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 696, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 696, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 828      Ways and Means on S.B. No. 661**

The purpose of this measure is to establish a licensing board of cemetery and funeral trusts to assist the Director of Commerce and Consumer Affairs in the licensing of cemetery and pre-need funeral authorities.

This measure also:

- (1) Establishes a special fund for enforcement purposes;
- (2) Adds other prohibited practices under state regulation;
- (3) Requires an actuarial report in addition to the audited financial statement; and
- (4) Requires and specifies sanctions for late submissions of the required audited financial statement.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that a licensing board, a special fund, and reporting requirements are crucial components in the effective regulation of professions and occupations. First, a licensing board will hold specialized subject matter expertise in the regulated area. Second, a special fund or dedicated fund ensures the self-sustainability of regulatory activity. Third, licensee reporting requirements promote accountability to the public.

Under present law, the licensing of cemetery and pre-need funeral authorities is delegated to the Director of Commerce and Consumer Affairs. Also, no dedicated fund exists specifically for the licensing of cemetery and pre-need funeral authorities. Rather, licensing activities are funded by the compliance resolution fund, a special fund that finances the operations of the Department of Commerce and Consumer Affairs as a whole. Finally, the present requirements regarding audited financial statements are silent as to the contents of the statements.

As a result, Hawaii's laws governing cemetery and pre-need funeral authorities are among the most lax in the nation, and offer consumers inadequate protection. In particular, pre-need plans sold in this State do not meet the standards recommended by the national industry organization.

Accordingly, your Committee has amended this measure by:

- (1) Replacing the licensing board with an advisory committee;
- (2) Clarifying rather than adding prohibited practices that result in a fine, revocation, or suspension of authority licenses;
- (3) Deleting specifications for the contents of the audited financial statement and actuarial report; and
- (4) Deleting certain sanctions for untimely submission of the audited financial statement.

In deleting the provisions relating to the required contents of the audited financial statement, your Committee intends that the advisory committee created under this measure will propose or suggest any additional necessary requirements for the audited financial statement with regard to licensee and trust financial information.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 661, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kokubun, Hemmings).

**SCRep. 829      Ways and Means on S.B. No. 504**

The purpose of this measure is to appropriate funds to establish a sustainability internship program at the University of Hawaii at Manoa as part of the Sustainable Saunders project.

Specifically, this measure appropriates \$207,000 in fiscal years 2009-2010 and 2010-2011 to facilitate the employment of students each semester with the goal of applying no cost to low cost energy modification recommendations at the University of Hawaii at Manoa, other campuses, and the general community.

Your Committee received twenty written comments on this measure.

Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that the Sustainable Saunders project played a valuable role in reducing energy use and could significantly reduce energy costs at the University of Hawaii at Manoa. Your Committee believes the establishment of a sustainability internship project would produce benefits that would be experienced throughout the community through outreach training to other University of Hawaii campuses and other educational facilities.

Your Committee has amended this measure by changing the appropriation to an unspecified amount and by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 504, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 504, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 830            Ways and Means on S.B. No. 256**

The purpose of this measure is to establish the telework task force within the Department of Business, Economic Development, and Tourism, and in coordination with the Department of Human Resources Development, to develop incentives and recommendations that will encourage and expand telework opportunities in Hawaii.

This measure also requires the task force to develop a public awareness campaign plan and to address any other matters the task force deems relevant to reduce traffic congestion, harmful statewide environmental impacts, and the State's continued dependence on fossil fuels.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee believes that this measure to encourage telecommuting will result in a better quality of life for Hawaii residents who commute to work, reduce harmful statewide environmental impacts, and reduce the State's continued dependence on imported fossil fuels.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion and by making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 256, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 256, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Kokubun).

**SCRep. 831            Ways and Means on S.B. No. 68**

The purpose of this measure is to authorize the Department of Land and Natural Resources to regulate commercial enterprises that originate from private marinas and utilize state waters or marine resources.

Your Committee received eleven written comments on this measure. Copies of written comments submitted to the Committee are available for review on the Legislature's website.

Your Committee finds that the State's waters and marine resources would suffer harm and depletion from disruptive uses and overuse by commercial enterprises. Your Committee further finds that this measure would extend the regulatory authority of the Department of Land and Natural Resources to include commercial enterprises that originate from private marinas and use state waters. Your Committee believes that this measure addresses a potential situation whereby commercial enterprises may avoid regulation by originating their business from a private marina instead of a public boat harbor or marina. Your Committee further finds that this measure is not intended to require additional regulation or new permits for commercial activities that are regulated under any other chapter of the Hawaii Revised Statutes.

Your Committee recognizes that commercial enterprises and activities that use state waters play an important part in the State's visitor economy. Your Committee also believes, however, that it is important to balance economic enrichment and protecting the State's ocean resources. Accordingly, your Committee believes that the regulations provided under this measure will promote economic activity and still protect state waters and marine resources.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 68, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 68, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 832 Ways and Means on S.B. No. 43**

The purpose of this measure is to implement statewide physician workforce assessment and planning.

More specifically, this measure:

- (1) Creates the John A. Burns School of Medicine special fund;
- (2) Directs moneys in the John A. Burns School of Medicine special fund to be used to support the medical school's activities related to physician workforce assessment and planning;
- (3) Establishes the physician workforce assessment fee of \$60 for license renewal, to be deposited into the John A. Burns School of Medicine special fund;
- (4) Appropriates general funds to implement statewide physician workforce assessment and planning;
- (5) Appropriates out of the compliance resolution fund moneys to be deposited into the John A. Burns School of Medicine special fund; and
- (6) Requires the John A. Burns School of Medicine to submit a report to the Legislature, State Health Planning and Development Agency, and the Hawaii Medical Board no later than twenty days prior to the convening of the regular session of 2011 and each odd-numbered year thereafter.

Your Committee received written comments on this measure. The comments may be reviewed on the Legislature's website.

Your Committee finds that it is prudent to assess Hawaii's physician workforce on a continuous basis. More than a third of Hawaii's physicians are at least fifty-five years old and can be expected to retire shortly. Because Hawaii has the longest life expectancy in the nation, the State will soon be faced with increased demands for health care and a reduced population of physicians. Your Committee believes that on-going assessments based on reliable physician workforce data will support proactive measures to prevent or improve the impact of physician shortages in Hawaii.

Your Committee has amended this measure by:

- (1) Changing the appropriations to an unspecified amount;
- (2) Changing the effective date to July 1, 2070, to encourage further discussion of this matter; and
- (3) Making technical amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 43, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 43, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 833 (Majority) Ways and Means on S.B. No. 1227**

The purpose of this measure is to establish the Department of Tourism.

Specifically, this measure:

- (1) Establishes the Department of Tourism as an executive department and changes the name of the Department of Business, Economic Development, and Tourism to the Department of Business and Economic Development;
- (2) Dissolves the Hawaii Tourism Authority;
- (3) Transfers the Convention Center enterprise special fund, the tourism special fund, and the tourism emergency trust fund to the Department of Tourism; and
- (4) Establishes an interagency working group to facilitate the transition of rights, powers, functions, and duties from the Hawaii Tourism Authority to the Department of Tourism.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that establishing a new executive agency that is charged with the focused oversight of Hawaii's tourism industry would maintain and expand Hawaii's domestic and international tourism market. Your Committee recognizes that tourism is one of the primary industries in the State and that the State's economic health depends heavily on the success of the visitor industry. Your Committee believes that an agency dedicated to tourism oversight would help increase visitor expenditures, tax revenue, and employment in the tourism industry.

Your Committee has amended this measure by:

- (1) Specifying that the tourism emergency trust fund may be used to provide emergency assistance to tourists during a declared tourism emergency;
- (2) Clarifying that a remaining balance in the tourism special fund that is not appropriated by the Legislature shall be transferred to the general fund in any given fiscal year;

- (3) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1227, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1227, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Kokubun).

**SCRep. 834            Ways and Means on S.B. No. 1167**

The purpose of this measure is to make certain administrative changes to the Hawaii Tourism Authority to streamline its operations. Specifically, this measure:

- (1) Clarifies the duties and changes the title of the Executive Director of the Authority to President and Chief Executive Officer;
- (2) Changes the requirement that the Authority provide notice to the Governor, President of the Senate, and Speaker of the House of Representatives on any contract or agreement valued at \$25,000 or more to require periodic reports on contracts and agreements;
- (3) Eliminates certain "sunset" provisions in Act 58, Session Laws of Hawaii 2004, making permanent the Authority's ability to retain its own private attorneys and to exercise its current level of fiscal autonomy.

Your Committee has received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the difficult times currently being experienced by the State's major industry, tourism, may present an opportune time to undertake some administrative changes to streamline the operations of the Hawaii Tourism Authority. Changing the title of the Executive Director of the Authority to President and Chief Executive Officer, while cosmetic on its face, should instill a more business-like atmosphere in the boardroom of the Authority. Further, eliminating the "sunset" provision on the ability of the Authority to hire its own private attorneys should result in streamlining operations.

Your Committee has amended this measure by:

- (1) Requiring that the private contractor operating the Hawaii Convention Center be subject to the Hawaii Procurement Code;
- (2) Reinstating the "sunset" provisions in Act 58, Session Laws of Hawaii 2004, relating to the fiscal autonomy of the Hawaii Tourism Authority;
- (3) Changing the effective date to July 1, 2050, to allow further discussion of this measure; and
- (4) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1167, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1167, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 835            Ways and Means on S.B. No. 971**

The purpose of this measure is to conform state tax law to the latest amendments to the Internal Revenue Code for calendar year 2008.

The following sections of the Internal Revenue Code are employed in this conformance measure:

- (1) 42, increases the low-income housing tax credit by providing a minimum yield of nine per cent in computing the amount of the credit;
- (2) 62(a)(2)(D), extends the above-the-line deduction for out-of-pocket classroom-related expenses to eligible educators up to \$250 for two years to include tax years beginning before January 1, 2010;
- (3) 63(c), allows an additional standard deduction for net losses from disasters for both regular and alternative minimum tax purposes, with respect to federally declared disasters and extends the additional standard deduction for real property taxes for one year;
- (4) 63(c)(1)(C), (c)(7), provides an additional standard deduction for real property taxes (excluding real property taxes accounted for as a section 62 trade or business expense) of up to \$500 (\$1,000 for joint filers) for 2008 only;
- (5) 108(a)(1)(E), extends the "mortgage forgiveness exclusion";
- (6) 121(b)(4), taxes homeowners upon the sale of a principal residence for periods of nonqualified use, such as rental use;
- (7) 164(b)(5)(I), extends the itemized deduction for state and local general sales taxes for two years;
- (8) 165(h), increases the per casualty floor applied to determine the net deductible casualty loss per occurrence from \$100 to \$500 for 2009;

- (9) 168(b), 168(e), 168(i), allows "smart" electric meters and distribution grid systems to be depreciated over ten years;
- (10) 168(e) and (g), allows farming machinery and equipment placed in service to be depreciated over five years;
- (11) 168(e)(3)(E)(iv), extends the fifteen year straight line cost recovery period allowed for qualified leasehold improvements and qualified restaurant improvements for two years;
- (12) 168(m), provides fifty per cent bonus depreciation and alternative minimum tax relief for "qualifying reuse and recycling property";
- (13) 168(n), provides fifty per cent bonus depreciation and alternative minimum tax depreciation relief for qualified disaster assistance property;
- (14) 170(b)(1)(E)(vi) and (b)(2)(B)(iii), allows individuals to deduct qualified conservation contributions up to fifty per cent of the contribution base;
- (15) 170(b)(3) and (e)(3)(C)(iv), applies special higher charitable contribution limitations that are already available for qualified conservation contributions by farmers to contributions of "apparently wholesome food inventory";
- (16) 170(e)(3)(D), extends the enhanced deduction for book inventory contributions to elementary and secondary schools for two years;
- (17) 170(e)(6)(G), extends the enhanced deduction for qualified computer contributions for two years;
- (18) 172, allows qualified disaster losses to be carried back five years and used against alternative minimum taxable income;
- (19) 175, allows a deduction for expenses incurred for endangered species recovery expenditures;
- (20) 179D, extends the deduction for the cost of energy efficient building property placed in service for five years to include property placed in service before January 1, 2014;
- (21) 198(h), extends the election to expense qualified environmental remediation expenditures that are otherwise capitalizable for two years;
- (22) 198A, allows taxpayers to elect to expense qualified disaster expenses that are otherwise capitalizable;
- (23) 401(a)(9)(H), 402(c)(4), waives the required minimum distribution from qualified retirement plans that would otherwise be imposed;
- (24) 408(d)(8)(F), extends the provision allowing tax-free treatment of IRA distributions donated to charity;
- (25) 430(c)(5)(B), provides relief in satisfying pension funding requirements by extending a transition rule that allows a plan to fund less than one hundred per cent of the funding shortfall;
- (26) 432, allows multi-employer plan sponsors to elect to retain prior plan year's status;
- (27) 451, extends the election to defer gain for qualifying electric transmission transactions for two years to include any sale or disposition of qualifying property by a qualified electric utility before January 1, 2010;
- (28) 461(j), disallows deductions for excess farm losses for tax years beginning after December 31, 2009, subject to carryforward provisions;
- (29) 856(c) and (d), 857(b), relaxes rules regarding foreign investments, health care facilities, and prohibited transactions;
- (30) 1221, allows financial institutions to treat resulting gains and losses from the sale of Fannie Mae and Freddie Mac preferred stock as ordinary gains and losses; and
- (31) 1367(a)(2), extends rule that an S-corporation's charitable contribution of property reduces the shareholder's basis only by the contributed property's basis.

Your Committee received comments on the measure from one private agency. The written comments may be reviewed on the Legislature's website.

Your Committee has amended the measure by:

- (1) Imposing the state income tax on employer paid pension income, except for the first \$50,000 each year; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 971, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 836      Ways and Means on S.B. No. 165**

The purpose of this measure is to clarify that public school cafeteria workers employed after July 1, 2009, will be compensated for a school-year period and compensation will be prorated over a calendar-year period.



Furthermore, this measure clarifies that cafeteria workers employed prior to July 1, 2009, will continue to receive compensation over a calendar-year period.

Your Committee finds that public schools cafeteria workers are currently employed for a twelve-month period, whereas cafeteria managers are employed for a ten-month period, and school meals are only provided over a ten-month period.

Your Committee recognizes that the Department of Education needs to be given administrative flexibility in developing the appropriate position and compensation structure for cafeteria workers.

Your Committee has amended this measure by:

- (1) Deleting the clarifying provisions;
- (2) Deleting the reference to twelve-months; and
- (3) Changing the effective date to July 1, 2090, to facilitate continued discussion of this matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 165, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 165, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Ayes with Reservations, 2 (Hooser, Tokuda). Noes, none. Excused, 3 (Galuteria, Hee, Hemmings).

**SCRep. 837      Ways and Means on S.B. No. 1316**

The purpose of this measure is to abolish the Aloha Tower Development Corporation and transfer all of its functions and powers to the Department of Business, Economic Development, and Tourism.

Your Committee finds that the transfer of functions from the Aloha Tower Development Corporation to the Hawaii Community Development Authority, except for the harbors modernization project, is more advantageous to the State. Currently, the Hawaii Community Development Authority has jurisdiction over the development of Kakaako. Extending the authority's jurisdiction over the Aloha Tower commercial area will allow consistency with planning and development.

Your Committee further finds that the Department of Transportation, Harbors Division, in consultation with the federal Maritime Administration, is better equipped to oversee the harbors modernization project. Exemption from the procurement code will also expedite the development and construction of the harbors modernization project. Your Committee believes that the exemption is necessary, but only for a limited amount of time to jumpstart development activities.

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

- (1) Transferring the functions of the Aloha Tower Development Corporation to the Hawaii Community Development Authority except for the harbors modernization project;
- (2) Transferring the functions of the harbors modernization project to the Department of Transportation, Harbors Division, in partnership with the United States Department of Transportation, Maritime Administration;
- (3) Authorizing the Hawaii Community Development Corporation, with the approval of the Governor, to issue bonds;
- (4) Establishing the Aloha Tower fund in the Hawaii Community Development Authority for the purposes of collecting all moneys, rentals, charges, or other revenues from the Aloha Tower harbor district;
- (5) Establishing the harbors modernization group that shall have jurisdiction over the commercial harbors modernization plan; and
- (6) Exempting all procurements for the harbors modernization project from chapter 103D, Hawaii Revised Statutes, until June 30, 2016.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1316, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1316, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Ayes with Reservations, 2 (Chun Oakland, Fukunaga). Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 838      Ways and Means on S.B. No. 1202**

The purpose of this measure is to lay the foundation necessary to develop an electric vehicle infrastructure in Hawaii.

Specifically, this measure:

- (1) Makes fostering the research and development of nonfossil fuel and energy efficient modes of transportation one of the State's economic growth objectives;
- (2) Requires the designation of parking spaces for electric vehicles in public, private, and government parking lots;
- (3) Requires State and county agencies that purchase new vehicles to seek vehicles with reduced dependence on petroleum-based fuels, in accordance with a priority list; and
- (4) Provides income tax credits for installation of code-compliant electric vehicle charging infrastructure and for installation of alternative fuel refueling infrastructure.

Your Committee received four written comments on this measure. The written comments may be viewed on the Legislature's website.

Your Committee finds that it is essential for the State to aggressively promote and develop alternatives to modes of transportation that are dependent on fossil fuels. Your Committee further finds that the development of an electric vehicle infrastructure is a first and essential step toward transforming transportation in this State.

Your Committee amended this measure by:

- (1) Deleting provisions related to the income tax credits for electric vehicle charging infrastructure and alternative refueling infrastructure;
- (2) Amending the effective date to July 1, 2070, to encourage further discussion; and
- (3) Making technical amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1202, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1202, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 839      Ways and Means on S.B. No. 1106**

The purpose of this measure is to require a seller of real property in the State to furnish a tax clearance certificate to the Bureau of Conveyances upon the sale of the real property.

The tax clearance certificate certifies that the Hawaii Real Property Tax Act withholding requirements were satisfied as a condition to recording a transfer of title on the real property.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that state tax revenues have declined due to a weakening state economy. In addition, the under reporting of taxes has contributed to a greater loss in the collection of state tax revenues. This measure will assist the State in collecting the full amount of tax revenue owed to the State in real estate transactions by requiring certifications from both the buyer and seller.

Your Committee also finds that an out-of-state buyer, not the seller, should have the responsibility of submitting a verification form to the Bureau of Conveyances in accordance with the Hawaii Real Property Tax Act. An out-of-state seller, however, should be required to submit a certified tax clearance certificate issued by the Department of Taxation to ensure the full and proper payment of all state taxes. Your Committee believes that these provisions will ensure that the State receives all tax revenues that have been under reported and uncollected in the past, with respect to transfers of real estate.

Your Committee has amended this measure by:

- (1) Requiring an out-of-state buyer to submit a certified Hawaii real property tax act payment verification form to the Bureau of Conveyances as a precondition to recording the transfer of title to real property;
- (2) Clarifying that an out-of-state seller shall obtain a certified tax clearance certificate from the Department of Taxation, verifying that the seller has paid all required taxes due to the State, and requiring the seller to apply for the clearance no later than fifteen days after the transfer date of the real property; and
- (3) Making technical nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1106, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1106, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 840      Ways and Means on S.B. No. 1105**

The purpose of this measure is to require reports of studies or audits by an executive department or agency, and by the Legislative Reference Bureau, Auditor, Judiciary, or Office of Hawaiian Affairs to be the subject of a public hearing or informational briefing.

This measure further requires that these reports be submitted to the Clerk and Presiding Officer of each house of the Legislature, chairs of the applicable subject matter committee of each chamber, and the Legislative Reference Bureau library. The public hearing or informational briefing may be waived by the Senate President or Speaker of the House of Representatives.

Your Committee believes that establishing a procedure to require certain reports to be subject to a public hearing or informational briefing will assist the Legislature in following up on various issues dealt with in those reports.

Your Committee has amended this measure by:

- (1) Adding language to narrow the scope of the requirement to conduct a public hearing or informational briefing on reports of those studies or audits that are specifically requested by the Legislature by concurrent resolution of the Legislature or required by law, including budget measures;

- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1105, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 841 (Majority) Ways and Means on S.B. No. 818**

The purpose of this measure is to require the Department of Health and the Department of Human Services to make available to the public, free of charge, information collected from the departments' inspections of care facilities.

Specifically, this measure requires, by January 1, 2011, electronic posting on the departments' respective websites of all inspection reports, including dates, descriptions of violations, planned corrective actions, and other information within an unspecified period of time after completion of the reports.

Your Committee received four comments. Written comments are available for review on the Legislature's website.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 818, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 818, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (Galuteria, Kidani, Kokubun, Tsutsui).

**SCRep. 842 Ways and Means on S.B. No. 733**

The purpose of this measure is to clarify the application of school impact fees to ensure its legality and fairness.

Specifically, this measure:

- (1) Requires the Department of Education to update certain figures it uses to calculate impact fees, including:
  - (A) School site area averages;
  - (B) Facility construction costs per student in elementary, middle, and high schools; and
  - (C) The revenue credit for each residential unit developed;
- (2) Ensures that new residential developments are charged for a level of service (permanent versus portable facilities) that is equal to and not higher than the current standards of the district in which the development is situated;
- (3) Clearly sets forth the distinction between a land component impact fee and a construction cost impact fee;
- (4) Requires the Department of Education to engage in an analysis on a district basis that includes the student generation rates for single-family and multi-family developments, considering the potential for making more efficient use of existing and underutilized assets in a school district, and potential changes to statewide school site areas and design enrollment standards;
- (5) Establishes school land area averages per student for elementary, middle, and high schools;
- (6) Clarifies the formula for calculating the school construction cost per unit for single-family and multi-family developments;
- (7) Requires that the impact fees collected within a school district be used only on schools serving the same school district; and
- (8) Requires the Department of Education to return lands dedicated for school facilities or construction cost component impact fee that are not used for school facilities within twenty years of the land dedication or fee payment.

Your Committee finds that this measure will ensure the equitable administration of school impact fees. The measure will also provide that school impact fees collected for land and facility construction, whether through fees paid or in lieu contributions of land dedicated or facilities developed and dedicated, are fairly assessed and used only within the school districts that the residential developments that are assessed are situated. Your Committee believes that this will ensure that the school impact fees program will meet all legal and equitable concerns and challenges.

Your Committee has made technical nonsubstantive changes to this measure for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 733, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 733, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (Fukunaga, Hee, Kidani, Hemmings).

**SCRep. 843 Ways and Means on S.B. No. 643**

The purpose of this measure is to transfer the management of Kahana Valley state park from the Department of Land and Natural Resources to the Department of Hawaiian Home Lands.

Your Committee received one written comment on the measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that after the condemnation of the valley, the people of Kahana, many of them native Hawaiian, lobbied the Legislature to allow them to stay in the valley and preserve their rural native Hawaiian lifestyle. In 1970, a Governor's task force proposed the concept of a living park that would allow the families to stay, and in some way participate, in the care and maintenance of the park. The Governor recommended the concept to the Department of Land and Natural Resources and the residents were allowed to stay on the land under revocable leases. As a condition of their lease, each Kahana Valley family was required to contribute twenty-five hours of interpretive services per month to the park to preserve, restore, and share the history and rural lifestyle of the ahupua'a of Kahana with the public.

Your Committee further finds that thirty-one original families qualified for the long-term residential leases. However, descendants of six families that did not originally qualify for long-term residential leases remained in Kahana Valley State Park. The Department of Land and Natural Resources recently started eviction actions against these six families. Your Committee believes that transferring management of Kahana Valley to the Department of Hawaiian Home Lands will allow the State, with input from the Native Hawaiian community, and current residents of the valley to resolve any lease and land use issues amicably instead of through the eviction process.

Your Committee has amended the measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion on this issue; and
- (2) Making technical nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 643, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 643, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Kokubun, Tsutsui, Hemmings).

**SCRep. 844      Ways and Means on S.B. No. 522**

The purpose of this measure is to assist the counties to more accurately determine real property tax assessments.

Specifically, this measure requires the Assistant Registrar of the Land Court to provide within ten days, an image and index of all instruments that contain real property transactions relating to registered land in all the counties each week to the administrator of the City and County of Honolulu's Real Property Assessment Division. The administrator shall then provide copies of the images, without charge, to the real property assessment administrators of the other counties. The measure also provides for unforeseen, technical malfunctions that may delay the transfer beyond ten days.

Your Committee received one written comment on the measure. Copies of written comments submitted are available for review on the Legislature's website.

Your Committee finds that this measure will allow the counties to better track property ownership, encumbrances, restrictions, uses, and sales prices of real property. Your Committee believes that expediting and sharing this information will increase the efficiencies and provide more timely and accurate real property tax assessments.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 522, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 522, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 845      Ways and Means on S.B. No. 1673**

The purpose of this measure is to ensure the viability of the Hawaii Health Systems Corporation, the fourth largest public hospital system in the nation.

Specifically, this measure:

- (1) Authorizes any of the regional systems or individual facilities of the Hawaii Health Systems Corporation (Corporation) to transition into a new legal entity;
- (2) Requires each regional system board and each community hospital under the jurisdiction of the Corporation to collaborate with community health centers within their respective geographic jurisdictions to maximize funding from the State and federal governments;
- (3) Requires the Corporation and each regional system board to notify the President of the Senate, the Speaker of the House of Representatives, and Chairperson of the respective subject matter committee for health in each house of the Legislature within thirty days of any substantial reduction or elimination of direct patient care services;
- (4) Requires the Department of Health, on July 1, 2009, to assume the total amount of all liabilities and debts or other obligations of the Hawaii Health Systems Corporation that had been accrued up to June 30, 1996, by the community hospitals while they were operating within the Division of Community Hospitals of the Department of Health;

- (5) Requires the Hawaii Health Systems Corporation to bear the sole responsibility for assuming all liabilities and debts or other obligations accrued beginning on July 1, 1996, and thereafter, by the community hospitals operating within the Hawaii Health Systems Corporation; and
- (6) Establishes that the Hawaii Health Systems Corporation shall bear sole responsibility for making all appropriate employer payments into funds of the Employees' Retirement System under chapter 88, Hawaii Revised Statutes, beginning on July 1, 1996, and continuing thereafter; and
- (7) Requires commercial health plans to provide a minimum reimbursement level of no less than one hundred and one per cent of the costs for all services provided to plan beneficiaries by critical access hospitals.

Your Committee finds that the management and operation of the State's public health facilities under the custody and supervision of the Hawaii Health Systems Corporation since the creation of the Corporation in 1996 has been unsuccessful. Your Committee believes that the basic structure for operating the public health facilities, which are critical for the health and well being of all residents of the State, needs to be radically altered to authorize any regional system or individual facility to transition to a nonprofit corporation, for-profit corporation, a municipal facility, a public benefit corporation, or other combination of these entities.

Your Committee has amended this measure:

- (1) With regard to any plan of a facility to substantially reduce or eliminate any direct patient care services, by reversing the order in which the plan is to proceed by first presenting the plan to the regional system board for approval, followed by presenting the plan to the community at an informational hearing for community input; and
- (2) With regard to an internal inconsistency in the measure that grants an exemption to the Hawaii Health Systems Corporation from the Hawaii Public Procurement Code (in section 17 of the measure amending section 103D-102(c), Hawaii Revised Statutes) in contravention to the explicit provision to affirmatively subject the Hawaii Health Systems Corporation to the Hawaii Public Procurement Code (in section 18 of the measure amending section 323F-7(c)(30)(C), Hawaii Revised Statutes), by deleting section 17 of the bill that adds the exemption for the Hawaii Health Systems Corporation, and renumbering the remaining sections of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1673, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1673, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Tsutsui).

**SCRep. 846            Ways and Means on S.B. No. 1449**

The purpose of this measure is to amend the general excise tax return filing and payment procedures to require accelerated periodic estimated payments and one annual return.

Your Committee received comments from one organization and one individual. The written comments may be reviewed on the Legislature's website.

Your Committee received comments from one organization and one individual. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the current law requires large taxpayers to file monthly general excise tax returns and to remit taxes. In addition, it requires large taxpayers to file annual reconciliation returns that include any adjustments and make final payments for the year. Your Committee finds that by accelerating simple voucher estimated payments and the final reconciliation, the State will be able to achieve a one-time windfall gain in collection of general excise tax revenues.

Your Committee has amended this measure by:

- (1) Changing multiple references to the "fifteenth" to the "twentieth" day;
- (2) Changing multiple references to April 15, July 15, October 15, and January 15, to April 20, July 20, October 20, and January 20, respectively; and
- (3) Making technical amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1449, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1449, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 847            Ways and Means on S.B. No. 1461**

The purpose of this measure is to allow the State to realize revenues on an accelerated basis with regard to the collection of certain taxes.

Specifically, this measure advances from the last day of the month to the fifteenth day of the month the following:

- (1) Monthly, quarterly, or semiannual filing and payment of the general excise tax;
- (2) Monthly, quarterly, semiannual, and annual filing and payment of the transient accommodations tax;

- (3) Filing of the annual reconciliation for the transient accommodations tax;
- (4) Monthly filing of information on which the fuel tax is based and the date of delinquency for payment of fuel tax;
- (5) Monthly filing of returns with regard to the cigarette tax and tobacco tax;
- (6) Monthly payment, on the deferred-payment basis, of the purchase of cigarette tax stamps;
- (7) Monthly report on distributions of cigarettes and tobacco products and purchases of stamps; and
- (8) Monthly, quarterly, semiannual, and annual filing and payment of the rental motor vehicle and tour vehicle surcharge.

The measure also requires the electronic filing of a state tax return and payment of state taxes by electronic funds transfer by any person required to electronically file a federal tax return and electronically remit taxes to the federal government.

Your Committee believes that this measure will generate a one-time windfall gain by accelerating the payment and receipt of certain taxes. Your Committee finds that Act 355, Session Laws of Hawaii 1997, authorized the Governor to convert the State of Hawaii payroll payment basis from predicted payroll to after-the-fact payroll commencing with the June 30, 1998, pay day in fiscal year 1997-1998, which was delayed to July 6, 1998, in fiscal year 1998-1999. That "payroll lag" measure delayed state expenditures to generate a one-time windfall savings.

This measure achieves a similar effect by advancing the filing and payment of various taxes due, from the last calendar day of the month to an earlier date in the month and will generate a one-time savings.

Your Committee received one comment on this measure from one organization. The written comment may be reviewed on the Legislature's website.

Your Committee has amended this measure by amending all proposed filing and payment due dates from the fifteenth day to the twentieth day of the month. Accordingly, your Committee has deleted sections 4, 5, and 11, relating to the annual return and the annual reconciliation filed for the transient accommodations tax and the annual filing and payment of the rental motor vehicle and tour vehicle surcharge tax because those sections currently require filing and payment by the twentieth day of the month. The remaining sections of the measure have been renumbered accordingly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1461, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1461, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 848      Ways and Means on S.B. No. 496**

The purpose of this measure is to clarify the functions, duties, and roles of the Charter School Review Panel and the Board of Education in the administration and operation of charter schools.

Specifically, this measure:

- (1) Requires a charter school board to comply with Board of Education policies and Department of Education directives regarding special education and federal programs;
- (2) Clarifies that the Charter School Review Panel is subject to the requirements of the sunshine law;
- (3) Authorizes the Board of Education to remove a Charter School Review Panel member for cause;
- (4) Requires the Charter School Review Panel to approve the charter schools budget, capital improvement projects, and recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs;
- (5) Specifies the duties of the Executive Director of the Charter School Administrative Office with regard to the preparation of the budget;
- (6) Changes the requirements for the per-pupil funding, and reduces the amount the Department of Education may retain for administrative costs from charter schools federal funds; and
- (7) Requires the Charter School Review Panel to evaluate a charter school on its fourth anniversary and every five years after.

Your Committee finds that additional reform is necessary to allow charter schools to continue to strive for excellence through effective and efficient operations.

Your Committee has amended this measure by:

- (1) Clarifying that the budget request submitted by the charter schools shall include all anticipated means of financing;
- (2) Deleting the requirement that the charter schools' budget request for facilities funding include funding for actual enrollment figures in the current school year for each charter school;
- (3) Clarifying that the budget request shall include funding for the projected enrollment for each charter school is for the next school year;
- (4) Clarifying that the salary of the executive director and staff shall not exceed two per cent of the total annual general fund allocation, at an amount to be determined by the panel;

- (5) Clarifying the meaning of the phrase “per-pupil amount”;
- (6) Deleting the requirement that fringe benefit costs paid directly by a charter school to a payroll system provider be reimbursed by the Department of Budget and Finance; and
- (7) Changing the effective date from July 1, 2045, to July 1, 2050, to promote continuing discussion; and
- (8) Making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 496, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 496, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 849            Ways and Means on S.B. No. 194**

The purpose of this measure is to protect taxpayers from unscrupulous income tax return preparers.

Specifically, this measure:

- (1) Requires tax refunds to be directly deposited into a taxpayer’s own account, instead of a paid income tax return preparer’s account;
- (2) Requires a paid income tax return preparer to sign any tax return or claim for refund prepared on behalf of a client taxpayer; and
- (3) Establishes penalties if a paid income tax return preparer violates the provisions of this measure.

Your Committee finds that concerns have been raised that this measure applies only to paid income tax return preparers, and would not provide protection against violations committed by unpaid income tax return preparers. In light of these concerns, your Committee has amended this measure by:

- (1) Adding a definition of the term “income tax return preparer” that is similar to the definition in the federal Internal Revenue Code; and
- (2) Making the provisions of the measure applicable to unpaid income tax return preparers as well as paid income tax return preparers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 194, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Kokubun).

**SCRep. 850            Ways and Means on S.B. No. 464**

The purpose of this measure is to change the renewable energy technologies income tax credit to a refundable tax credit for certain taxpayers.

The measure removes the restriction on the type of income the tax credit can be used to offset and allows special allocations of the tax credit in certain cases. The measure also excludes a depreciation deduction from passive activity losses.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature’s website.

Your Committee finds that the renewable energy technologies income tax credit provides little financial incentive for investors. Your Committee believes that this measure would make capital investment in renewable energy technologies more attractive to a wider range of investors who would be able to make use of the tax credit.

Your Committee has amended this measure by:

- (1) Removing the provisions that would have made the renewable energy technologies income tax credit refundable;
- (2) Adding a provision that prohibits a taxpayer who claims the renewable energy technologies income tax credit from claiming any other income tax credit using the same actual costs or from qualifying as a qualified high technology business;
- (3) Changing the effective date to January 1, 2090, to facilitate further discussion on the measure; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 464, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 851            Energy and Environment on Gov. Msg. No. 423**

Recommending that the Senate advise and consent to the nomination of the following:

KAUA'I AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE

G.M. No. 423 SEAN D. IGNE, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Sean D. Igne to have the necessary qualifications to be appointed to the Kaua'i Aquatic Life and Wildlife Advisory Committee.

Testimony in support of Mr. Igne's nomination was submitted by one state department and four individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Igne received a Certificate of Achievement, Carpentry, from the University of Hawaii/Kauai Community College. He is currently employed with ITT Federal Services as a PW5 Journeyman Painter-Lead, working at the Pacific Missile Range Facility at Barking Sands. Mr. Igne has worked at the Missile Range for the past twenty-one years, in all aspects of facility building maintenance. Mr. Igne's work experiences have involved supervision of other employees, prioritizing different projects, and demonstrating hard work and diligence.

Mr. Igne's involvement with the Kauai community will also make him an asset to the Aquatic Life and Wildlife Advisory Committee. Mr. Igne also has been an avid hunter and fisherman for many years. He has been a member of the Kauai Hunting Club since its inception and has volunteered in numerous State Department of Land and Natural Resources wildlife projects. He has also mentored others, teaching them not only the skills required for hunting, but also the rules and values of hunting. Mr. Igne is a believer in the benefits of conserving natural resources, and he will be able to represent the voice of Kauai residents regarding the use, management, and preservation of Kauai's wildlife areas for generations to come.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Kokubun).

**SCRep. 852 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 43**

The purpose of this measure is to request the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources to apply for accreditation with the Commission on Accreditation for Law Enforcement Agencies, Inc.

Testimony in support of this measure was submitted by one state agency and three organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Commission on Accreditation for Law Enforcement Agencies, Inc. is an internationally recognized professional law enforcement accrediting agency. The Commission's standards are approved by the International Association of Chiefs of Police, the National Organization of Black Law Enforcement Executives, the National Sheriffs' Association, and the Police Executive Research Forum. The standards address nearly every aspect of a law enforcement operation, and assist agencies to develop sound policies that can withstand judicial scrutiny.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 43 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 853 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 23**

The purpose of this measure is to request the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources to apply for accreditation with the Commission on Accreditation for Law Enforcement Agencies, Inc.

Testimony in support of this measure was submitted by one state agency and three organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Commission on Accreditation for Law Enforcement Agencies, Inc. is an internationally recognized professional law enforcement accrediting agency. The Commission's standards are approved by the International Association of Chiefs of Police, the National Organization of Black Law Enforcement Executives, the National Sheriffs' Association, and the Police Executive Research Forum. The standards address nearly every aspect of a law enforcement operation, and assist agencies to develop sound policies that can withstand judicial scrutiny.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 23 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 854 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 384**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANA'I

G.M. No. 384 JONAH KE'EAUMOKU KAPU, for a term to expire 6-30-2013.



Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Jonah Ke'eaumoku Kapu to have the necessary qualifications to be nominated to the Island Burial Council for the islands of Maui and Lana'i.

Testimony in support of the nomination of Jonah Ke'eaumoku Kapu was submitted by one state agency and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

According to testimony, Mr. Kapu is an active community leader and Hawaiian cultural practitioner, who brings traditional cultural diversity to the Island Burial Council for the islands of Maui and Lana'i. In addition to currently serving on the Island Burial Council for the islands of Maui and Lana'i, Mr. Kapu is an Advisor/Chief Counsel to the Na Papa Kanaka O Pu'ukohola Heiau; a member of the National Association for Interpretation; Director of Hui O Wa'a Kaulua; Director and Founder of Kuleana Ku'ikahi, LLC, which protects historic sites, properties, and environment; and Cultural Consultant and Founder of Hawaiian Outreach Economic Association Inc., which revitalizes ancient fishponds, sites, and reconstruction of traditional waterways. Mr. Kapu has also previously served a five-year term on the Maui County Cultural Resources Commission, including one year as Vice Chairperson on the West Pacific Fisheries Management Council; and as a Cultural Consultant for the Friends of Moku'ula. He has also completed various seminars and trainings relating to cultural affairs.

Your Committee finds that Mr. Kapu's extensive community involvement and activities as a cultural practitioner make him an excellent candidate to continue serving on the Island Burial Council for the islands of Maui and Lana'i.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Takamine).

**SCRep. 855 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 392**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 392 DERRICK F. NISHIMURA, for a term to expire 6-30-2010.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Derrick F. Nishimura to have the necessary qualifications to be nominated to the Board of Agriculture.

Testimony in support of the nomination of Derrick F. Nishimura was submitted by two state agencies, one organization, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Nishimura is a graduate of the Agricultural Leadership Foundation of Hawaii at the University of Hawaii at Manoa's College of Tropical Agriculture and Human Resources, and of the University of Hawaii at Hilo, earning a Bachelor of Science degree in General Agriculture. He is currently the General Manager for Agro Resources, Inc. and has previously held supervisory, support, and technical positions for several businesses in the agriculture and agribusiness industries.

Mr. Nishimura has thirty years of experience in various Hawaii agriculture-related businesses, spanning four islands; a broad range of industries, including papaya, guava, cattle, sugar, macadamia nuts, and coffee; and various job functions, including field operations in guava and coffee production, developing application rates for weed control, recruiting and managing seasonal workers, and maximizing crop yields.

Mr. Nishimura currently serves on the Board of Agriculture and has also served as a former Board member and past Vice President of the Kauai County Farm Bureau, and former Board member and Secretary of the Hawaii Coffee Growers Association. Mr. Nishimura's commitment to help agriculture thrive in Hawaii and his extensive background in agriculture make him a valuable asset to the Board of Agriculture.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Takamine).

**SCRep. 856 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 395**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 395 BRIAN H. SUZUKI, for a term to expire 6-30-2011.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Brian H. Suzuki to have the necessary qualifications to be nominated to the Board of Directors of the Agribusiness Development Corporation.

Testimony in support of the nomination of Brian H. Suzuki was submitted by one state agency and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Suzuki earned a Bachelor of Arts degree in Asian Studies and Japanese Language from the University of Hawaii. He is currently the President and Chief Executive Officer of Hawaii Air Cargo. Mr. Suzuki previously served in the United States Naval Reserve for twelve years, and worked as a Passenger Service Agent and Cargo Service Supervisor for Pan American World Airways and as the Hawaii District Manager for Transpacific Air Cargo.

Mr. Suzuki has been an active member of cultural and air cargo-related associations. He is currently a member of the Board of Governors of the Japanese Cultural Center of Hawaii, the Honolulu Japanese Chamber of Commerce, the Chamber of Commerce of Hawaii, the Hong Kong Business Association of Hawaii, and the Hawaii Export Nursery Association. He is the founder of the national AirForwarders Association and has served in leadership roles for the National Defense Transportation Association, Air Cargo Association of Hawaii, and the Honolulu Japanese Chamber of Commerce.

Mr. Suzuki has served on the Board of Directors of the Agribusiness Development Corporation since July 2008. According to testimony, Mr. Suzuki brings necessary agricultural transportation experience and industry contacts to the Corporation, and is familiar with various farming operations and the uniqueness of each island's transportation issues. This combination of experience and knowledge makes Mr. Suzuki a fine candidate for the Board of the Directors of the Agribusiness Development Corporation.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Takamine).

**SCRep. 857 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 438**

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 438 WESLEY F. OTANI, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Wesley F. Otani to have the necessary qualifications to be nominated to the Advisory Committee on Pesticides.

Testimony in support of the nomination of Wesley F. Otani was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Otani earned a Bachelor of Science degree in Horticulture from the University of Hawaii at Manoa. He then worked for Kama'aina Farms and HGP Inc., both on Maui, and Brewer Environmental in Honolulu. He is currently the Regional Sales Manager of Terminix International in Honolulu.

Mr. Otani has served on the Advisory Committee on Pesticides under an interim appointment since February 2004, as a representative of the structural pest control industry. According to testimony, Mr. Otani has considerable experience in pesticide sales and use issues and has been an active participant in the Advisory Committee's meetings by providing information on pesticide concerns of the commercial pest control industry. Mr. Otani is an excellent candidate for the Advisory Committee on Pesticides, who would continue to contribute ideas on more effective methods of pest control and better stewardship of pesticides through education, research, and policy making.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Takamine).

**SCRep. 858 Judiciary and Government Operations on Gov. Msg. No. 439**

Recommending that the Senate consent to the nomination of the following:

SUPREME COURT JUSTICE

MARK E. RECKTENWALD, for a term of ten years.

Your Committee received testimony in support of Mark E. Recktenwald from the United States Attorney, District of Hawaii, United States Department of Justice; the State Attorney General; Director of Labor and Industrial Relations; Honolulu Prosecuting Attorney; Hawaii Government Employees Association; Hawaii Financial Services Association; Kailua Neighborhood Board; and numerous individuals. Chief Judge Helen Gillmor, United States District Court; Judge Susan Oki Mollway, United States District Court; Judge J. Michael Seabright, United States District Court; Judge Alan Kay, United States District Court; Judge Leslie Kobayashi, United States District Court submitted favorable comments in response to your Committee's request for comments. Comments were also received from the Board of Directors of the Hawaii State Bar Association. Testimony in opposition was received from two individuals.

The Board of Directors of the Hawaii State Bar Association found the nominee to be qualified for the position of Supreme Court Justice, based upon the criteria of integrity, legal knowledge and ability, professional experience, judicial temperament, diligence, financial responsibility, public service, collegiality, and writing ability.

Mark E. Recktenwald received an AB degree, magna cum laude with the highest honors in anthropology from Harvard University and a JD degree from the University of Chicago Law School. He was admitted to the Hawaii Bar in 1986 and clerked for Chief United

States District Judge Harold M. Fong for one year. In 1988-1991, the nominee worked at the law firm of Goodwill Anderson Quinn and Stifel as a litigation associate. The nominee then went to work at the United States Attorney's Office in Honolulu as a prosecutor in the criminal division from 1991-1997. In 1997, the nominee became a partner in the law firm of Marr Hipp Jones and Wang and specialized in labor and employment litigation. In 1999, the nominee went back to the United States Attorney's Office in Honolulu as an Assistant U.S. Attorney and served in both the civil and criminal divisions of that office until 2003. The nominee prosecuted wildlife crimes, fraud on financial institutions, tax fraud, investment scams, and other fraud cases. In the civil division, the nominee handled cases in which the government sought and negotiated settlements a number of health care fraud cases. The nominee became the Director of the Department of Commerce and Consumer Affairs in 2003.

Judge Recktenwald was appointed in 2007 to the Intermediate Court of Appeals in which he currently serves as Chief Judge. Judge Recktenwald has written ten published opinions, and participated in the decision on the merits of more than two hundred cases. He has also considered hundreds of procedural and substantive motions as part of a three-judge motions panel.

Judge Recktenwald decides appeals involving civil, criminal, family court, and administrative agency matters. The issues on appeal include the suppression or sufficiency of evidence in criminal cases, evidentiary rulings, insurance coverage disputes, statutory interpretation, child custody disputes, and termination of parental rights. In particular, Judge Recktenwald authored three published opinions in which certiorari was subsequently denied: *Inoue v. Inoue*, 118 Hawaii 86 (App. 2008); *State v. Yamada*, 116 Hawaii 422 (App. 2007); and *State v. Mars*, 116 Hawaii 125 (App. 2007).

Your Committee notes that as Chief Judge of the Intermediate Court of Appeals, Judge Recktenwald worked with his colleagues to move forward with the restructuring of the appellate system which began in 2006, under which appeals now come first to the Intermediate Court of Appeals. He has emphasized deciding cases more promptly, without sacrificing the quality of the decisions. He has also emphasized making the court more open and accessible. Judge Recktenwald has also sought opportunities to meet with the legal community, including neighbor island bar associations, to get input on how the Intermediate Court of Appeals is doing.

In particular, your Committee notes the testimony of Judge Recktenwald that his goal as an appellate judge has been to decide cases fairly and promptly, respect the parties who come before the court, and write opinions that are clear, well-reasoned, and fairly apply the law. He wants every litigant, whatever the outcome of their case, to feel that they were treated fairly.

Your Committee finds that, based on the testimony submitted on his behalf, Mark E. Recktenwald has the experience, temperament, judiciousness, and other competencies to be a Supreme Court Justice, and has a good sense of where the equities, rights, and responsibilities lie in a case which is essential for a Supreme Court Justice.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

#### **SCRep. 859      Energy and Environment on Gov. Msg. Nos. 293 and 294**

Recommending that the Senate advise and consent to the nomination of the following:

#### **ENDANGERED SPECIES RECOVERY COMMITTEE**

G.M. No. 293    JOHN T. HARRISON III, for a term to expire 6-30-2009; and

G.M. No. 294    JOHN T. HARRISON III, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds John T. Harrison III to have the necessary qualifications to be appointed to the Endangered Species Recovery Committee.

Your Committee received testimony in support of John T. Harrison III from the State Department of Land and Natural Resources and three individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Dr. Harrison holds a Bachelor of Science degree in Biological Sciences from Stanford University, and a Ph.D. in Zoology, with an emphasis on Marine Ecology, from the University of Hawaii. His professional experience includes positions as the Environmental Coordinator of the University of Hawaii Environmental Center, Special Assistant to the Senior Vice President for Research of the University of Hawaii, and President of Pacific Environmental Consulting, Inc. As the Environmental Coordinator for the University of Hawaii's Environmental Center, Dr. Harrison coordinated environmental services provided by the University, including formal reviews of environmental impact statements and other assessments, and developed the curriculum for upper division courses in environmental law, policy, and management.

As head of the University of Hawaii Environmental Center, Dr. Harrison served as an ex officio member of the Endangered Species Recovery Committee from its inception in 1998 until his full retirement at the end of 2007. Dr. Harrison was appointed to the Endangered Species Recovery Committee on an interim basis in October 2008. His training and experience in ecology and ecosystem dynamics has included extensive work on ecosystem responses to human-induced perturbations, and these experiences have been helpful in Committee deliberations.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Green, Kokubun).

**SCRep. 860 Human Services on S.R. No. 10**

The purpose of this measure is to request the Senate President, the Speaker of the House of Representatives, and the Governor to form the Home for Life Task Force to coordinate research and actions to reduce barriers to aging in place and to facilitate multigenerational living.

Testimony in support of this measure was submitted by the Disability and Communication Access Board, the State Council on Developmental Disabilities, two organizations, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the population of older adults in Hawaii is expected to increase, and that consequently the demand for services and housing for older adults will increase. In accordance with the United States Administration on Aging's goal of enabling older adults to age in place, your Committee further finds that multigenerational housing may allow the provision of support services to older adults by family caregivers while also providing housing for families who may find it difficult to secure affordable housing.

Your Committee recognizes the need for creative and flexible housing options to satisfy the anticipated increase in demand for suitable housing options for older adults. Your Committee therefore requests that the Senate President, Speaker of the House of Representatives, and the Governor assemble and convene a Home for Life task force to examine:

- (1) Building and zoning codes that present barriers to the conversion of single-family dwellings to multigenerational homes;
- (2) Modifications to existing homes that may allow older adults to age in place;
- (3) Training of personnel to recommend structural modifications to existing structures to allow older adults to age in place;
- (4) The use of universal design principles in renovation and new construction projects; and
- (5) Incorporation of universal design principles into existing building and zoning codes.

Your Committee has amended this measure by:

- (1) Amending all references to "multigenerational" housing or living to "multigenerational or accessible" housing or living, respectively, as some individuals with disabilities are only seeking accessibility features in homes;
- (2) Adding the Disability and Communication Access Board as a recipient of a copy of the measure; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 10, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 10, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 861 Human Services on S.C.R. No. 7**

The purpose of this measure is to request the Senate President, the Speaker of the House of Representatives, and the Governor to form the Home for Life Task Force to coordinate research and actions to reduce barriers to aging in place and to facilitate multigenerational living.

Testimony in support of this measure was submitted by the Disability and Communication Access Board, the State Council on Developmental Disabilities, two organizations, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the population of older adults in Hawaii is expected to increase, and that consequently the demand for services and housing for older adults will increase. In accordance with the United States Administration on Aging's goal of enabling older adults to age in place, your Committee further finds that multigenerational housing may allow the provision of support services to older adults by family caregivers while also providing housing for families who may find it difficult to secure affordable housing.

Your Committee recognizes the need for creative and flexible housing options to satisfy the anticipated increase in demand for suitable housing options for older adults. Your Committee therefore requests that the Senate President, Speaker of the House of Representatives, and the Governor assemble and convene a Home for Life task force to examine:

- (1) Building and zoning codes that present barriers to the conversion of single-family dwellings to multigenerational homes;
- (2) Modifications to existing homes that may allow older adults to age in place;
- (3) Training of personnel to recommend structural modifications to existing structures to allow older adults to age in place;
- (4) The use of universal design principles in renovation and new construction projects; and
- (5) Incorporation of universal design principles into existing building and zoning codes.

Your Committee has amended this measure by:

- (1) Amending all references to "multigenerational" housing or living to "multigenerational or accessible" housing or living, respectively, as some individuals with disabilities are only seeking accessibility features in homes;
- (2) Adding the Disability and Communication Access Board as a recipient of a copy of the measure; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 7, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 7, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 862 Human Services on S.R. No. 12**

The purpose of this measure is to designate the first week in February 2010 as "Hawaii Teen Dating Violence and Prevention Week".

Testimony in support of this measure was submitted by two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that data on the incidence of teen dating violence warrants greater efforts to promote dating violence awareness and prevention education in Hawaii.

Your Committee supports the designation of the first week of February 2010 as "Hawaii Teen Dating Violence Awareness and Prevention Week" and encourages the people of Hawaii, high schools, law enforcement personnel, state and local officials, and interested groups to observe Hawaii Teen Dating Violence Awareness and Prevention Week.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 12, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 12, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 863 Human Services on S.C.R. No. 15**

The purpose of this measure is to designate the first week in February 2010 as "Hawaii Teen Dating Violence and Prevention Week".

Testimony in support of this measure was submitted by two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that data on the incidence of teen dating violence warrants greater efforts to promote dating violence awareness and prevention education in Hawaii.

Your Committee supports the designation of the first week of February 2010 as "Hawaii Teen Dating Violence Awareness and Prevention Week" and encourages the people of Hawaii, high schools, law enforcement personnel, state and local officials, and interested groups to observe Hawaii Teen Dating Violence Awareness and Prevention Week.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 15, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 15, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 864 Human Services on S.R. No. 11**

The purpose of this measure is to encourage participation in the White Ribbon Campaign to end domestic violence against women.

Testimony in support of this measure was submitted by two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that domestic violence is a significant problem nationally and locally, with 8,013 reported cases of domestic violence in Hawaii in 1999. Your Committee recognizes the devastating physical and emotional impacts of domestic violence on women, children, and families; the \$8-10 billion in economic losses due to absenteeism, medical costs, employee turnover, lost productivity, and other costs; and the need for strong male role models who are willing to express their commitment to ending violence against women.

Your Committee supports the White Ribbon Campaign's goal of ending all forms of violence against women and encourages the people of Hawaii to join individuals in over fifty-five countries by wearing white ribbons as a symbol of men's opposition to violence against women and as a pledge to never commit, condone, or remain silent about violence against women.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 11, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 11, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 865 Human Services on S.C.R. No. 14**

The purpose of this measure is to encourage participation in the White Ribbon Campaign to end domestic violence against women.

Testimony in support of this measure was submitted by two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that domestic violence is a significant problem nationally and locally, with 8,013 reported cases of domestic violence in Hawaii in 1999. Your Committee recognizes the devastating physical and emotional impacts of domestic violence on women, children, and families; the \$8-10 billion in economic losses due to absenteeism, medical costs, employee turnover, lost productivity, and other costs; and the need for strong male role models who are willing to express their commitment to ending violence against women.

Your Committee supports the White Ribbon Campaign's goal of ending all forms of violence against women and encourages the people of Hawaii to join individuals in over fifty-five countries by wearing white ribbons as a symbol of men's opposition to violence against women and as a pledge to never commit, condone, or remain silent about violence against women.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 14, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 14, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 866 Human Services on S.R. No. 8**

The purpose of this measure is to request the Executive Office on Aging and the Center on Aging at the University of Hawaii at Manoa to continue research and analyses to:

- (1) Develop a cash and counseling model and to apply for related grants;
- (2) Determine how best to compensate caregivers for necessary personal services;
- (3) Determine best practices for state agencies to collaborate and coordinate with area agencies on aging and local community service providers (including those for the disabled community);
- (4) Enhance funding from all sources for Medicaid and Medicare services, including but not limited to, removing or adjusting income limits and non-exempt asset limitations;
- (5) Determine how best to accommodate language barriers;
- (6) Determine how best to overcome access to long-term care services barriers; and
- (7) Identify more funding sources for long-term care services.

Testimony in support of this measure was submitted by the Office of Language Access and the Executive Office on Aging. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that several states currently implement cash and counseling programs, which allow participants to use their Medicare-provided personal assistance monies to hire their own personal care aides and to purchase items or services. Your Committee finds that these cash and counseling programs allow people to "age in place" and to hire their friends or relatives as caregivers. However, despite some financial support through cash and counseling programs, family caregivers are usually paid lower-than-average wages for a small fraction of the hours of service they actually provide.

Accordingly, your Committee encourages the Executive Office on Aging and the Center on Aging at the University of Hawaii at Manoa to continue research and analysis on cash and counseling programs, caregiver compensation, overcoming language barriers for over forty-five thousand elderly people of limited English proficiency, and best practices to allow the elderly and disabled to access long-term care services.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 8, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 8, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 867 Human Services on S.C.R. No. 5**

The purpose of this measure is to request the Executive Office on Aging and the Center on Aging at the University of Hawaii at Manoa to continue research and analyses to:

- (1) Develop a cash and counseling model and to apply for related grants;
- (2) Determine how best to compensate caregivers for necessary personal services;
- (3) Determine best practices for state agencies to collaborate and coordinate with area agencies on aging and local community service providers (including those for the disabled community);
- (4) Enhance funding from all sources for Medicaid and Medicare services, including but not limited to, removing or adjusting income limits and non-exempt asset limitations;
- (5) Determine how best to accommodate language barriers;
- (6) Determine how best to overcome access to long-term care services barriers; and
- (7) Identify more funding sources for long-term care services.

Testimony in support of this measure was submitted by the Office of Language Access and the Executive Office on Aging. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that several states currently implement cash and counseling programs, which allow participants to use their Medicare-provided personal assistance monies to hire their own personal care aides and to purchase items or services. Your Committee finds that these cash and counseling programs allow people to "age in place" and to hire their friends or relatives as caregivers. However, despite some financial support through cash and counseling programs, family caregivers are usually paid lower-than-average wages for a small fraction of the hours of service they actually provide.

Accordingly, your Committee encourages the Executive Office on Aging and the Center on Aging at the University of Hawaii at Manoa to continue research and analysis on cash and counseling programs, caregiver compensation, overcoming language barriers for over forty-five thousand elderly people of limited English proficiency, and best practices to allow the elderly and disabled to access long-term care services.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 5, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 5, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 868 Human Services on S.R. No. 15**

The purpose of this measure is to encourage faith-based organizations in the State to network and cooperate to support foster families in Hawaii, such as by forming foster family ministries.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that despite the development of innovative programs to protect and serve children and families, there is still a great need for foster homes.

Your Committee recognizes that Kokua Ohana, a foster care program that is the product of collaboration between the Partners in Development Foundation and the Department of Human Services, has successfully worked with churches and Native Hawaiian community organizations to recruit, train, and support Hawaii's foster families as a community effort. Your Committee encourages other faith-based organizations to network and collaborate similarly to effect positive changes for Hawaii's keiki and families.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 869 Human Services on S.C.R. No. 19**

The purpose of this measure is to encourage faith-based organizations in the State to network and cooperate to support foster families in Hawaii, such as by forming foster family ministries.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that despite the development of innovative programs to protect and serve children and families, there is still a great need for foster homes.

Your Committee recognizes that Kokua Ohana, a foster care program that is the product of collaboration between the Partners in Development Foundation and the Department of Human Services, has successfully worked with churches and Native Hawaiian community organizations to recruit, train, and support Hawaii's foster families as a community effort. Your Committee encourages other faith-based organizations to network and collaborate similarly to effect positive changes for Hawaii's keiki and families.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 19, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 870 (Joint) Economic Development and Technology and Public Safety and Military Affairs on S.C.R. No. 24**

The purpose of this measure is to urge full preservation of United States Marine Corps Air Station Ewa as a national monument, museum, and restored park for the State of Hawaii.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, State of Hawaii Office of Veterans Services, Save Ewa Field, Kailua Neighborhood Board, and three concerned individuals. Comments on this measure were submitted by Historic Hawaii Foundation. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the historical significance of United States Marine Corps Air Station Ewa is extensive and deserves to be protected. Specifically, your Committees find that it is important to preserve the land, buildings, and structures at United States Marine Corps Air Station Ewa that played a role during World War II and the attack on Pearl Harbor so that those pieces of Hawaii's history can be studied by future generations and historians.

Your Committees have amended this measure by:

- (1) Urging that the Legislature support the preservation of the Marine Corps Air Station Ewa rather than the President of the United States, the United States Secretary of Defense, and the United States Secretary of the Interior;
- (2) Requesting Hawaii's congressional delegation to support the efforts to preserve and memorialize Marine Corps Air Station Ewa;
- (3) Transmitting certified copies of this measure to the Commander of the United States Pacific Fleet and the Hunt Development Group rather than to the President of the United States, the United States Secretary of Defense, and the United States Secretary of the Interior; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 24, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 24, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Bunda, English, Gabbard, Hee).

**SCRep. 871 Public Safety and Military Affairs on S.R. No. 28**

The purpose of this measure is to urge the Governor to proclaim 2009 as the Year of the Army Noncommissioned Officer Corps of the United States Army.

Testimony in support of this measure was submitted by one federal agency, one state agency, and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the noncommissioned officers of the United States Army have served our country for over two hundred years and have played a vital role in protecting our safety and preserving our freedom over that length of time. Your Committee also finds that the noncommissioned officers of the United States Army have been recognized by many other countries around the world as a model for military professionalism, competence, and efficiency.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity, including making a nonsubstantive change to the measure's title to eliminate redundancy.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 28, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 28, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Kidani).

**SCRep. 872 Public Safety and Military Affairs on S.C.R. No. 47**



The purpose of this measure is to urge the Governor to proclaim 2009 as the Year of the Army Noncommissioned Officer Corps of the United States Army.

Testimony in support of this measure was submitted by one federal agency, one state agency, and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the noncommissioned officers of the United States Army have served our country for over two hundred years and have played a vital role in protecting our safety and preserving our freedom over that length of time. Your Committee also finds that the noncommissioned officers of the United States Army have been recognized by many other countries around the world as a model for military professionalism, competence, and efficiency.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity, including making a nonsubstantive change to the measure's title to eliminate redundancy.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 47, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Kidani).

**SCRep. 873 Commerce and Consumer Protection on Gov. Msg. No. 416**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 416 ROY M. SASUGA, for a term to expire 6-30-2010.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs, Island Insurance Companies, Matsukawa Insurance Agency, and two private citizens. A written statement and resume was also received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee for appointment to the Motor Vehicle Repair Industry Board possesses the qualifications, background, and experience to contribute in a positive and constructive manner on matters that will come before the Board. Your Committee notes that the nominee's professional experience includes approximately thirty years as a claims adjuster and claims manager which involved working as a liaison between insurance consumers and auto repair shops. Your Committee finds that the nominee demonstrates knowledge and perspective, as well as experience participating in professional organizations, which will be valuable to the Board. Your Committee further finds that this nominee was appointed based on experience, integrity, and a commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 874 Commerce and Consumer Protection on Gov. Msg. No. 277**

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 277 WERNER UMBHAU, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and JN Group, Inc. A resume and written statement were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee for reappointment to the Motor Vehicle Industry Licensing Board is uniquely qualified to continue service on the Board. Your Committee notes that the nominee has extensive professional experience in the financial sector, including almost thirty years in financing auto dealerships and managing a bank retail car loan portfolio. Your Committee finds that the nominee is widely respected by his colleagues and contributes to the Board through critical assessment of issues and balancing the need to protect consumers with the need to promote commerce. Your Committee further finds that this nominee has been reappointed based on his knowledge, integrity, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 875 Commerce and Consumer Protection on Gov. Msg. No. 251**

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 251 JOHN K. GIBO, for a term to expire 6-30-2010.

Your Committee received a written statement and resume from the nominee. The Department of Commerce and Consumer Affairs presented testimony in support of the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee currently serves as an interim appointee on the Cable Advisory Committee and is learning about the issues that face the Cable Advisory Committee. Your Committee notes that the nominee understands the function and responsibilities of the Cable Advisory Committee and expresses a commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 876 Commerce and Consumer Protection on Gov. Msg. No. 248**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 248 WARREN J. FERREIRA, for a term to expire 6-30-2013.

Testimony in support of the nomination of Mr. Ferreira was submitted by the Department of Commerce and Consumer Affairs, ASIS Hawaii Chapter 134, and one private citizen. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee for reappointment to the Board of Private Detectives and Guards is highly qualified for reappointment to the Board. Your Committee finds that the nominee is a diligent and contributing member of the Board and an effective and efficient facilitator of discussions. Your Committee notes that the nominee has twenty-nine years of experience in public policing, including six years as Deputy Chief of Police, and seventeen years experience in the private security field as well as experience as a university-level lecturer, expert witness, and active participant in professional organizations. Your Committee further finds that this nominee was reappointed based on his knowledge, broad experience, integrity, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 877 Commerce and Consumer Protection on Gov. Msg. Nos. 253 and 279**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ACUPUNCTURE

G.M. No. 253 RANDALL M. HASHIMOTO, for a term to expire 6-30-2012; and

G.M. No. 279 ULRIKE WEISS, for a term to expire 6-30-2013.

Your Committee received testimony in support of Ms. Weiss from the Department of Commerce and Consumer Affairs and one private citizen. Your Committee received testimony in support of Mr. Hashimoto from the Department of Commerce and Consumer Affairs. Curricula vitae and personal statements were received from both nominees. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the reappointment of Ulrike Weiss and the appointment of Randall M. Hashimoto to the Board of Acupuncture will enhance the effectiveness of the Board. Your Committee finds that Ms. Weiss, the longest-standing member of the Board, possesses broad institutional knowledge and has earned the respect and confidence of her fellow members. Your Committee finds that Mr. Hashimoto, who currently serves as an interim appointee to the Board, has successfully drawn on his past experience serving on the Board of Professional Engineers, Surveyors, and Landscape Architects to share valuable insights that have assisted the Board in its discussion and decision-making. Your Committee further finds that both nominees have been appointed based on their credentials, experience, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 878 Commerce and Consumer Protection on Gov. Msg. No. 273**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 273 JOY BERNADETTE YUKIKO SHIMABUKU, for a term to expire 6-30-2013,

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and one private citizen. A personal statement and resume was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee for reappointment to the Board of Examiners in Optometry is very familiar with her duties and responsibilities, is professional, impartial, and asks difficult questions. Your Committee notes that the nominee has previously served as a licensee-member on the Board of Barbering and Cosmetology and gained insight into the decision-making process and the impact of regulatory boards on their respective industries and the public. Your Committee further finds that the nominee has been reappointed based on her integrity, character, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 879 Commerce and Consumer Protection on Gov. Msg. No. 276**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 276 MICHAEL D. TURNER, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and the Hawaii Chapter of the American Physical Therapy Association. A personal statement and curriculum vitae was also received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, Your Committee finds that the nominee for reappointment to the Board of Physical Therapy is an informative and active participant in discussions and has volunteered additional hours in a working group to develop administrative rules. Your Committee notes that the nominee is a practitioner of physical therapy with experience in diverse work environments and is active in teaching and clinical research in the field. Your Committee finds that this nominee has been reappointed based on his experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 880 Commerce and Consumer Protection on Gov. Msg. No. 271**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 271 REBECCA H. RHOADES DVM, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. A personal statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee for reappointment to the Board of Veterinary Examiners actively participates in discussions, is consistently well-prepared, and makes significant contributions to the Board. Your Committee notes that the nominee is the only large-animal veterinarian currently serving on the Board and that the nominee's professional background includes a wide range of experience in the private, public, and nonprofit sectors. Your Committee further finds that this nominee has been reappointed based on her integrity, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 881 Commerce and Consumer Protection on Gov. Msg. No. 275**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 275 MAURICE F. TORIGOE, for a term to expire 6-30-2013.

Your Committee received testimony from the Department of Commerce and Consumer Affairs and Associated Builders and Contractors of Hawaii. A written statement was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee for reappointment to the Board of Electricians and Plumbers is a diligent and contributing member who devotes additional time outside of Board meetings to review applications. Your Committee notes that the nominee is both a licensed plumber and an employer, doing business as a plumbing contractor. Your Committee finds that the nominee has dedicated himself to the advancement of the profession, including by serving as a teacher in an apprenticeship program, participating in a continuing competency program for licensees, and actively participating in professional organizations. Your Committee finds that this nominee was reappointed based on his knowledge, integrity, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 882 Commerce and Consumer Protection on Gov. Msg. Nos. 252 and 264**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 252 MARIAN J. GREY, for a term to expire 6-30-2013; and

G.M. No. 264 CHERYL M. NAKAGAWA RDH, for a term to expire 6-30-2013.

Your Committee received testimony in support of the reappointment of both nominees from the Department of Commerce and Consumer Affairs. Personal statements and curricula vitae were received from the nominees. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee notes that Marian J. Grey's background as a former dental assistant gives her knowledge and perspective that is valuable to the Board. Ms. Grey has also contributed to the Board through serving as a member of the Rules/Legislative Committee and has devoted many additional hours in the Committee's deliberations on amending the Board's administrative rules.

Your Committee notes that Cheryl M. Nakagawa is always prepared for meetings and shares valuable insights based on her many years of experience as a licensed dental hygienist. Ms. Nakagawa has contributed her time as chair of the Rules/Legislative Committee and as the Board's representative at legislative hearings.

Your Committee finds that the nominees have each made valuable contributions to the Board of Dental Examiners during their current terms and that the reappointment of both nominees will enhance the effectiveness of the Board. Your Committee further finds that the nominees have been reappointed to the Board of Dental Examiners based on their credentials, experience, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 883 Commerce and Consumer Protection on Gov. Msg. No. 265**

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 265 RONALD H. NAKAMINE, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. A statement and resume was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee for reappointment to the Elevator Mechanics Licensing Board is able to objectively evaluate the issues facing the Board and to balance the interests of consumers and licensees. Your Committee notes that this nominee has thirty-eight years of experience as a journeyman elevator mechanic, serves on the executive board of Elevator Union Local 126, serves on the joint elevator apprenticeship committee, and is an instructor for the elevator trade apprenticeship program at Honolulu Community College. Your Committee finds that this nominee has been reappointed based on his experience, knowledge and commitment to public safety and service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 884 Commerce and Consumer Protection on Gov. Msg. Nos. 267 and 270**

BOARD OF PSYCHOLOGY

G.M. No. 267 CAROL L. NOWAK, for a term to expire 6-30-2012; and

G.M. No. 270 MARGO I. PETER, for a term to expire 6-30-2012.

Testimony in support of the nomination of Ms. Nowak was submitted by the Department of Commerce and Consumer Affairs, the North Hawaii Outcomes Project, the Sex Abuse Treatment Center, the Waianae Coast Comprehensive Health Center, and one private citizen. Testimony in support of the nomination of Ms. Peter was submitted by the Department of Commerce and Consumer Affairs, the University of Hawaii Center for Cognitive Behavior Therapy, and three private citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominees for appointment to the Board of Psychology possess the requisite qualifications to serve on the Board. Your Committee finds that Dr. Nowak currently serves as an interim appointee to the Board and has proven to be an extremely reliable member who stimulates thoughtful discussion and provides sound recommendations. Your Committee notes that Dr. Nowak has a diverse background in private practice, teaching, and supervision in both the private and non-profit sectors. Your Committee finds that Dr. Peter currently serves as an interim appointee to the Board and has proven to be an exceptional member who exemplifies all the qualities of a diligent professional. Your Committee notes that Dr. Peter has an extensive background that includes academia, clinical practice, and social service provision in the public, private, and non-profit sectors. Your Committee further finds that the nominees were appointed based on their knowledge, integrity, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 885 Commerce and Consumer Protection on Gov. Msg. Nos. 263 and 415**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 263 OLIVIA B. NAGASHIMA, for a term to expire 6-30-2010; and

G.M. No. 415 WENDEE J. WILSON, for a term to expire 6-30-2013.

Testimony in support of the nomination of Olivia B. Nagashima was submitted by the Department of Commerce and Consumer Affairs, the Massage Therapists Association of Hawaii, the Hawaiian Islands School of Massage, and two private citizens. Testimony in support of the nomination of Wendee J. Wilson was submitted by the Department of Commerce and Consumer Affairs and one private citizen. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominees to the Board of Massage Therapy possess the requisite qualifications to serve on the Board. Your Committee finds that Ms. Nagashima currently serves as an interim appointee to the Board and has demonstrated dedication to serving her professional community through preparedness and participation in discussions. Your Committee notes that Ms. Nagashima's experience with the Board includes attending and observing meetings in her capacity as President of the Massage Therapists Association of Hawaii, a professional organization, prior to her interim appointment. Your Committee finds that Ms. Wilson is currently a member of the Board of Massage Therapy and has demonstrated a willingness to learn and understand the profession and practice of massage therapy. Your Committee notes that Ms. Wilson's preparedness and participation in meetings has earned the respect of her Board colleagues, who unanimously elected her to serve as Chair. Your Committee finds that Ms. Wilson possesses an ability to focus on the issues and conduct Board meetings in an orderly and effective manner. Your Committee further finds that both nominees were appointed based on their knowledge, integrity, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 886 Commerce and Consumer Protection on Gov. Msg. No. 258**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ACUPUNCTURE

G.M. No. 258 LAN K. KAO, for a term to expire 6-30-2012.

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, the Institute of Clinical Acupuncture and Oriental Medicine, and two private citizens. Your Committee also received a personal statement and curriculum vitae from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee is uniquely qualified to serve on the Board of Acupuncture. Your Committee finds that the nominee's outstanding educational background and professional experience practicing acupuncture and sitting on other regulatory boards make her highly qualified for the present appointment. Your Committee notes that the nominee's professional experience includes both the practice of Chinese medicine, including acupuncture, as its own discipline and the integration of Chinese medicine with Western medicine as complementary practices. Your Committee further finds that this nominee has been appointed based on her credentials, excellent professional reputation, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 887 Commerce and Consumer Protection on Gov. Msg. No. 256**

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 256 JUDITH A. JORDAN, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee will work diligently as a public member of the Elevator Mechanics Licensing Board. Your Committee notes that the nominee recognizes the concerns of the public, especially elderly persons, who depend on safe, reliable elevators to maintain their independence as well as the concerns of elevator inspectors and mechanics who perform an important job in difficult or dangerous conditions. Your Committee finds that the nominee has been reappointed to serve a second term on the Elevator Mechanics Licensing Board based on her enthusiastic commitment to public service and public safety and ability to evaluate the issues facing the Board objectively, balancing the interests of consumers and licensees.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 888 Commerce and Consumer Protection on Gov. Msg. No. 255**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF NURSING

G.M. No. 255 JAMES S. HOBAN JR., for a term to expire 6-30-2012.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and the Healthcare Association of Hawaii. Your Committee also received a personal statement and curriculum vitae from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee has served diligently and unselfishly as an interim appointee to the Board of Nursing since July 1, 2008. Your Committee notes that the nominee is a co-owner and Chief Financial Officer of a Medicare-certified home health agency which gives him insight into both the financial and service-provision aspects of nursing and health care. Your Committee further finds that this nominee has been appointed based on his qualifications, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 889 Commerce and Consumer Protection on Gov. Msg. Nos. 250 and 261**

Recommending that the Senate advise and consent to the nominations of the following:

PEST CONTROL BOARD

G.M. No. 250 ALVIN F. FUKUYAMA, for a term to expire 6-30-2013.; and

G.M. No. 261 ROBERT H. KOIDE, for a term to expire 6-30-2013.

Your Committee received testimony in support of Alvin F. Fukuyama's nomination from the Department of Commerce and Consumer Affairs, Hawaii Pest Control Association, and one private citizen. Your Committee received testimony in support of Robert H. Koide's nomination from the Department of Commerce and Consumer Affairs and Hawaii Pest Control Association. Personal statements and curricula vitae were received from both nominees. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that both nominees are qualified for reappointment to the Pest Control Board. Your Committee finds that, as part of the Pest Control Board's applications review committee, Mr. Fukuyama has worked diligently outside of regularly scheduled meetings. Your Committee finds that Mr. Koide has been recognized for his good business practices by the Better Business Bureau and has done important work to reduce the amount of toxins required for pest control. Your Committee further finds that both nominees have been reappointed to the Pest Control Board based on their experience, knowledge, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 890 Commerce and Consumer Protection on Gov. Msg. No. 249**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 249 DAN F. FUJII DDS, MPH, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, Kokua Kalihi Valley, and two private citizens. A personal statement and curricula vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's experience in the profession of dentistry, commitment to public service, and proven leadership on the Board of Dental Examiners qualify him for reappointment to the Board of Dental Examiners. Your Committee notes that the nominee practices dentistry at a community health clinic where he serves a traditionally underserved population and oversees a dental residency program which allows the nominee to contribute practical knowledge to matters before the Board of Dental Examiners. Your Committee further finds that this nominee has been reappointed to the Board of Dental Examiners based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 891 Commerce and Consumer Protection on Gov. Msg. No. 247**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAI'I HURRICANE RELIEF FUND

G.M. No. 247 HAROLD R. DE COSTA, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs, the Department of Human Resources Development, the Department of Education, the Iron Workers Stabilization Fund, and three private citizens. A personal statement and curriculum vitae was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, you Committee finds that the nominee has an excellent fund management background and is highly qualified for a position on the Board of Directors of the Hawai'i Hurricane Relief Fund (HHRF Board). Your Committee notes that the nominee's background in labor management and collective bargaining is in accord with the HHRF Board's traditional practice of including a member with a labor background. Your Committee further finds that the nominee has been reappointed to the HHRF Board based on his credentials, integrity, fairness, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 892 Commerce and Consumer Protection on Gov. Msg. No. 246**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL BOARD

G.M. No. 246 BRIAN E. CODY, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. A personal statement and curricula vitae was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee for reappointment to the Hawaii Medical Board has contributed greatly to Board discussions and is very good at discussing issues without taking sides. Your Committee notes that this nominee offers a unique perspective to the Board because of his background and experience as an administrator at Kaiser Permanente. Your Committee further finds that this nominee has been reappointed to the Hawaii Medical Board based on his extensive administrative experience, understanding of the purpose of the Board, meaningful participation at Board meetings, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 893 Commerce and Consumer Protection on Gov. Msg. No. 245**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 245 MARK E. BROWN, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. A personal statement and curriculum vitae was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee's continued service on the Board of Pharmacy will enhance the effectiveness of the Board. Your Committee notes that the nominee has been a licensed pharmacist since 1996 and due to his knowledge of pharmacy practice laws and rules, has been selected by his colleagues on the Board to represent Hawaii to the National Association of Boards of Pharmacy. Your Committee finds that the nominee was reappointed to the Board of Pharmacy based on his credentials, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Espero, Ihara).

**SCRep. 894 Commerce and Consumer Protection on Gov. Msg. No. 244**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 244 LEE ANN M. APAO, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs and five private citizens. A personal statement and curriculum vitae was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the reappointment of this nominee to the Board of Barbering and Cosmetology will continue to enhance the effectiveness of the Board. Your Committee notes that this nominee contributes a valuable perspective to the Board as a small business owner providing cosmetology services on a neighbor island. Your Committee further finds that this nominee has been reappointed based on her integrity, responsibility, and professionalism in the field of cosmetology.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 895 Commerce and Consumer Protection on Gov. Msg. No. 243**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 243 CHARLES A. AKI, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. A personal statement and curriculum vitae was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of testimony submitted, your Committee finds that the nominee's continued service on the Board of Physical Therapy will contribute to the Board's effectiveness. Your Committee notes that the nominee, as a public member of the Board of Physical Therapy for the past seven years, has been chosen by his fellow Board members to represent the Board at national meetings and conferences. Your Committee further finds that the nominee's reappointment as a public member of the Board of Physical Therapy is based on his commitment to health and wellness, thoughtful preparation, and meaningful participation at meetings.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).



**SCRep. 896 (Joint) Public Safety and Military Affairs and Judiciary and Government Operations on S.R. No. 20**

The purpose of this measure is to:

- (1) Urge the Postmaster General to approve the issuance of a commemorative stamp that honors the significant contributions of the Nisei soldiers for the United States Army during World War II;
- (2) Urge the Postmaster General to approve the issuance of a commemorative stamp that honors other distinguished United States military units that have served throughout history; and
- (3) Urge the Postmaster General to approve the issuance of a commemorative stamp that honors individuals and organizations who made significant contributions to enhancing race relations and who worked toward ending discrimination based on race or national origin in the United States.

Testimony in support of this measure was submitted by two private organizations and one individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that honoring the Nisei soldiers by issuing a commemorative stamp will provide much deserved public notoriety to the efforts, bravery, and sacrifices made by the soldiers during World War II. Your Committees also find that honoring other distinguished United States military units as well as those individuals and organizations that worked toward ending discrimination based on race or national origin in the United States with a commemorative stamp is well-deserving and long overdue.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 20, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 20, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 1 (Hemmings).

**SCRep. 897 (Joint) Public Safety and Military Affairs and Judiciary and Government Operations on S.C.R. No. 33**

The purpose of this measure is to:

- (1) Urge the Postmaster General to approve the issuance of a commemorative stamp that honors the significant contributions of the Nisei soldiers for the United States Army during World War II;
- (2) Urge the Postmaster General to approve the issuance of a commemorative stamp that honors other distinguished United States military units that have served throughout history; and
- (3) Urge the Postmaster General to approve the issuance of a commemorative stamp that honors individuals and organizations who made significant contributions to enhancing race relations and who worked toward ending discrimination based on race or national origin in the United States.

Testimony in support of this measure was submitted by two private organizations and one individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that honoring the Nisei soldiers by issuing a commemorative stamp will provide much deserved public notoriety to the efforts, bravery, and sacrifices made by the soldiers during World War II. Your Committees also find that honoring other distinguished United States military units as well as those individuals and organizations that worked toward ending discrimination based on race or national origin in the United States with a commemorative stamp is well-deserving and long overdue.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary and Government Operations that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 33, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 33, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 10. Noes, none. Excused, 1 (Hemmings).

**SCRep. 898 Economic Development and Technology on S.C.R. No. 42**

The purpose of this measure is to urge the United States Congress to designate the ahupuaa area in Honolulu that is located between Kalihi Street and Punahou Street, and the Pali Lookout and the Pacific Ocean as a National Heritage Area.

Testimony in support of this measure was submitted by the Hawaii State Foundation on Culture and the Arts, University of Hawaii at Manoa, Historic Hawaii Foundation, Downtown Neighborhood Board No. 13, Hawaii Capital Cultural Coalition, Hard Rock Cafe, Belt Collins Hawaii Ltd., and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the designated area in this measure presents a magnificent concentration of natural, cultural, historic, and scenic resources that should be preserved and recognized as a National Heritage Area. According to the National Park Service of the United States Department of the Interior, the location identified in this measure is an area "designated by the United States Congress where natural, cultural, historic and recreational resources combine to form a cohesive, nationally-distinctive landscape arising from patterns of human activity shaped by geography." This area also tells important stories about the people who occupied this area.

Designating the area as a National Heritage Area allows for use of federal funds to maintain, preserve, and protect its physical character and cultural legacy. The designation of a National Heritage Area provides businesses, government, residents, and non-profit organizations the opportunity to collaborate their efforts to promote conservation, community revitalization, and economic development projects. National Heritage Areas also offer an innovative means by which citizens, in partnership with local, state and federal government agencies, and non-profit and private sector interests, can shape the long-term future of their communities. National Heritage Areas work across cultural boundaries by identifying important cultural landscapes that are linked thematically, historically, or geographically.

Your Committee acknowledges with appreciation the pivotal work undertaken by the Honolulu Capital Cultural Coalition and its supporters to bring this project to the point of seeking National Heritage Area designation. Your Committee recognizes that state policymakers must also play a role in helping to develop additional resources for this National Heritage Area through alternatives, such as state and county tax incentives for cultural districts, the establishment of heritage funds, making available revolving loan funds to promote small business development within the National Heritage Area, using bond financing, and public or private development agreements. As the State of Hawaii embarks on achieving its fiftieth anniversary of statehood, it is especially appropriate to pursue this visionary initiative to maintain, preserve, and protect the first nominee in Hawaii for National Heritage Area designation.

Finally, your Committee notes that this initiative provides an opportunity to showcase the breadth and diversity of Hawaii's multicultural heritage and help strengthen the role of the Bishop Museum in protecting Hawaii's unique cultural and historical assets. The Bishop Museum anchors the Kapalama end of the area identified in this measure, and it is your Committee's hope that the Bishop Museum will be a strong leader in identifying additional cultural landscapes with thematic, historical, and geographical linkages.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 42 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 899 Education and Housing on Gov. Msg. Nos. 281 and 419**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY (HPHA)**

G.M. No. 281 SAM AIONA, for a term to expire 6-30-2011; and

G.M. No. 419 KAULANA H.R. PARK, for a term to expire 6-30-2013.

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Sam Aiona and Kaulana H.R. Park to have the necessary qualifications to be appointed to the Hawaii Public Housing Authority.

Testimony in support of Sam Aiona was submitted by four state agencies and seven individuals.

Sam Aiona has served as Executive Director of the Office of Community Services, Department of Labor and Industrial Relations since 2003, and as a Loan Officer with American Pacific Mortgage since 1999. At the Office of Community Services, he is responsible for a budget of over \$10,000,000, serving nonprofit organizations throughout the State. In addition to extensive sales and marketing experience in the tourism industry, Mr. Aiona served as a Representative in the House of Representatives from 1996-1998. He holds a Bachelor of Arts in Political Science from the University of Hawaii and was a 1999 Pacific Century Fellow. Mr. Aiona is active in a wide range of community activities, including Founding President of the Waikiki Jaycees, Kuhio Lions Club, and as a volunteer for Habitat for Humanity, Special Olympics, and many other nonprofit organizations. He is a reappointment to the Hawaii Public Housing Authority.

Testimony in support of Kaulana H.R. Park was submitted by three state agencies, one private organization, and five individuals.

Kaulana H.R. Park has served as Deputy Director to the Chairman and Director of the Department of Hawaiian Home Lands since 2003, where he is responsible for management oversight of the Department's managers and administrators and for special projects, including affordable housing, homeless programs, and community development. From 1997-2003, he was a Business Loan Manager and Officer at the Office of Hawaiian Affairs, and he has extensive experience in the banking industry in Hawaii and California. Mr. Park holds a Bachelor of Science in Petroleum Engineering from Stanford University, California, and was a Pacific Century Fellow in 2003. He is active in numerous professional and community organizations, including the Native Hawaiian Chamber of Commerce, United States Commission on Civil Rights Hawaii Advisory Committee, and served as an officer of the Hotel Travel Federal Credit Union. He is a reappointment to the Hawaii Public Housing Authority.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Education and Housing that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 900 Education and Housing on Gov. Msg. Nos. 282 and 283**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION (HFD)**

G.M. No. 282 FRANCIS L. JUNG, for a term to expire 6-30-2009; and

G.M. No. 283 FRANCIS L. JUNG, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Francis L. Jung to have the necessary qualifications to be appointed to the Hawaii Housing Finance and Development Corporation.

Testimony in support of Francis L. Jung was submitted by two state agencies, one county agency, and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Francis L. Jung has, since 1985, served as a Senior Member of Jung & Vassar, P.C., a law corporation with offices in Kailua-Kona, Hawaii, and Washington, D.C., specializing in real estate, corporate, commercial, and international law. He is also the Director and President of TKJ, Inc., a Hawaii nonprofit established in 2006 to render free legal counseling services to the public. Mr. Jung's extensive legal career includes employment at law firms in Washington, D.C., and the Office of the Massachusetts Attorney General. He is a graduate of the University of Dayton, and holds a J.D. from the New England School of Law and an LL.M. from Harvard Law School. Mr. Jung is a member of the Hawaii State Bar Association and West Hawaii Bar Association, and he served on the Kona Community Hospital Advisory Committee and the West Hawaii Hospital Management Advisory Committee. He also served as a Director of the Housing and Community Development Corporation of Hawaii, a predecessor to the Hawaii Housing Finance and Development Corporation, from 2003 to 2006.

As affirmed by the records of votes of the members of your Committee on Education and Housing that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 901 Education and Housing on Gov. Msg. No. 284**

Recommending that the Senate advise and consent to the nomination of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 284 DALE C. WEBSTER, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Dale C. Webster to have the necessary qualifications to be appointed to the Education Commission of the States.

Testimony in support of Dale C. Webster was submitted by one private organization and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dale C. Webster has extensive education and management experience, including six years as Business Manager of Haleakala Waldorf School, four years as a lecturer in Entrepreneurship, Management, and Personal Finance at Maui Community College, five years as a small business owner, and three years managing a small business incubator in Kihei, Hawaii. Mr. Webster also held numerous sales and management positions at AT&T in New York and New Jersey from 1965-1989, and was a Captain, United States Army, from 1968-1970. He holds a Bachelor of Science Degree in Business Administration from Bowling Green State University, Ohio. Mr. Webster is active in numerous community organizations, including the Junior Chamber of Commerce, United Way, Volunteer Service Bureau, and is a Little League Coach, and SCORE volunteer, among many other community activities. He is a reappointment to the Education Commission of the States.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 902 Education and Housing on Gov. Msg. No. 418**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII PUBLIC HOUSING AUTHORITY (HPHA)

G.M. No. 418 CLARISSA P. HOSINO, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Clarissa P. Hosino to have the necessary qualifications to be appointed to Board of Directors of the Hawaii Public Housing Authority.

Testimony in support of Clarissa P. Hosino was submitted by three government agencies and five individuals. One individual submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Clarissa P. Hosino currently serves on the Board of Directors as a beneficiary of Hawaii Public Housing Authority services and she is a Resident Manager as well. Ms. Hosino is an active member of both the Board of Directors and her community, including serving as a Member of the District Council of Honolulu Community Action Program and as President of the Kalanihuiua Elderly and Disabled Association. She was a Foster Parent from 1992 to 1999, and participates in the Weed and Seed Program to help control illegal activities in and around her neighborhood. As a parent, grandparent, and great-grandparent, Ms. Hosino is committed to improving safety and living conditions for public housing tenants and in fostering pride in her community.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 903 Education and Housing on S.C.R. No. 30**

The purpose of this measure is to request the Department of Education to:

- (1) Conduct a feasibility study on converting hard cover text books to e-books for use in public schools, including considerations of cost and computer accessibility; and
- (2) Report its findings and recommendations, including cost estimates, to the 2010 Legislature.

Testimony in support of this measure was submitted by two state agencies and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that e-books offer many advantages for students. E-books may be easily updated and documents can be stored and read utilizing multiple technologies such as laptops, pocket computers, and e-book reading devices. In addition, e-books will support the implementation efforts of the Hawaii Virtual Learning Network (HVLN), a statewide online learning program for students, by providing students in remote areas access to high quality content.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 904 (Joint) Education and Housing and Human Services on S.C.R. No. 11**

The purpose of this measure is to urge the Department of Education to:

- (1) Encourage the public elementary schools to establish on-campus resource centers that provide information on, and referral to, existing resources that can combat homelessness; and
- (2) Foster the development of these resource centers as sources of information on the extent, nature, patterns, and circumstances of homelessness in their communities.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that there are over 2,000 children who receive sheltered services statewide and 1,300 children who receive outreach homeless services. There are still more undocumented homeless individuals that are not captured in data sets, and these individuals or family members may be experiencing eviction, or living with other friends or family.

Your Committees further find that this measure would assist in providing support for children who are homeless by gathering information, identifying trends, and serving as a catalyst to develop programs that produce healthy outcomes, educational success, and strengthen communities.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 11 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 905 Education and Housing on S.C.R. No. 18**

The purpose of this measure is to request that the Department of Education provide further support for public schools that limit or do not offer advanced placement and International Baccalaureate courses so that these schools may establish such programs or expand their existing programs.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that numerous studies and educational organizations report a positive correlation between students who complete advanced placement and International Baccalaureate courses, and the students' subsequent success in college and university programs.

Your Committee further finds that advanced placement and International Baccalaureate courses offer additional opportunities for Hawaii's public school students to gain the skills necessary to thrive in increasingly competitive educational and workforce settings.

Your Committee has amended this measure by:

- (1) Amending the title for the purposes of clarity and consistency; and
- (2) Requesting the Department of Education to report its findings and recommendations to the 2010 Legislature.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 18, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 18, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 906 Education and Housing on S.C.R. No. 52**

The purpose of this measure is to request that the Hookakoo Corporation:

- (1) Submit reports of its expanded learning time initiative and models that are or will be piloted by the Corporation's partner conversion charter schools;
- (2) Collaborate with the Department of Education on the development of plans to pilot expanded learning time models and a framework for providing technical assistance to schools; and
- (3) Submit progress reports to the 2010 and 2011 Legislature.

Testimony in support of this measure was submitted by five government agencies, one private organization, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the expanded learning time models detailed in this measure provide safe and structured learning environments for school age children during nonschool hours. In addition, these programs engage students in experiential, hands on learning projects, challenge students to delve deeply into core subjects, and allow students to participate in enrichment and remedial opportunities that can enhance their academic, personal, and social development.

Your Committee further finds that the Department of Education currently provides extended learning opportunities and that the preliminary impact data derived from the models for expanded learning time report will help the Department's efforts in further developing expanded learning time programs. The evaluation and technical assistance outlined in this measure can benefit both conversion charter schools and the Department's public schools.

Your Committee has amended this measure by:

- (1) Adding the Executive Director of the Charter School Administrative Office to those receiving certified copies of the measure; and
- (2) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 52, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 52, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 907 Economic Development and Technology on H.B. No. 520**

The purpose of this measure is to repeal the amendments made by Act 228, Session Laws of Hawaii 2008, that require the submission of archival photographs before conducting any demolition, construction, or alteration of any building over fifty years old or any building listed, or eligible for listing, on the Hawaii or National Register of Historic Places.

Testimony in support of this measure was submitted by American Public Works Association Hawaii Chapter, Building Industry Association Hawaii, Hawaii Developers' Council, General Contractors Association of Hawaii, Hawaii Association of Realtors, Chamber of Commerce of Hawaii, American Institute of Architects Hawaii State Council, and Pacific Resource Partnership. Testimony in opposition of this measure was submitted by Hawaiian Electric Company, Minatoishi Architects, Inc., and one concerned individual. Comments on this measure were submitted by the Department of Land and Natural Resources, City and County of Honolulu Department of Planning and Permitting, Historic Hawaii Foundation, and Land Use Research Foundation of Hawaii. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee has amended this measure by:

- (1) Revising the purpose section;
- (2) Deleting section 5 of the measure; and
- (3) Changing the effective date of the measure from July 1, 2020, to upon approval.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 520, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 520, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 908 Transportation, International and Intergovernmental Affairs on H.B. No. 1696**

The purpose of this measure is to clarify the use of collision damage waivers by motor vehicle rental companies.

Specifically, this measure:

- (1) Re-names "collision damage waiver" to "damage waiver";

- (2) Requires damage waiver disclosures, as an alternative, to be placed in a wall holder where the disclosure pamphlet can be easily seen and reached by lessees and potential lessees;
- (3) Allows rental car companies to fulfill the requirement of providing rental car lessees with notice of certain motor vehicle laws, such as the seat belt and child passenger restraint system laws, by posting the notice in a conspicuous place in the main rental area of all rental locations; and
- (4) Repeals the requirement that the rental car company submit data or information to the Director of Commerce and Consumer Affairs about specified information relevant to collision damage waivers and costs of repairs.

Your Committee received testimony in support of this measure from Catrala-Hawaii; Avis Rent A Car; Budget Rent A Car; Enterprise Rent A Car; Alamo Rent A Car; and National Car Rental. Comments were received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under current law a "collision damage waiver" may encompass *any* damages to a rental motor vehicle during the term of the rental agreement. By renaming "collision damage waiver" to "damage waiver", this measure clarifies the existing law by removing any inference that a rental car damage waiver may only apply to "collision" damages.

Your Committee further finds that in those instances in which a vehicle is not repaired, current law mandates that the true value of damages is the diminution in value of the vehicle. Calculating diminution in value is ordinarily not complicated. It is the difference between the value of the property before the harm and value after the harm.

Your Committee notes that the Department of Commerce and Consumer Affairs is not opposed to removing the current statutory requirement that collision damage waiver statistics be automatically submitted to the Department for review if the lessors continue to maintain the information and make it available to the Department upon request. Your Committee thus requests the lessors to keep appropriate records to facilitate the work of the Department.

Your Committee also notes that the testimony indicates that the Office of Consumer Protection and the interested rental car companies are currently working toward reaching an agreement on expedited processing of traffic infraction citations and summonses. Your Committee urges all parties to expedite their efforts to reach an agreement before the end of this Regular Session, as this may obviate the need for legislative solutions.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1696, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 909      Transportation, International and Intergovernmental Affairs on H.B. No. 142**

The purpose of this measure is to exempt aviation fuel from the general excise and use taxes when it is purchased from within a foreign-trade zone by a common carrier for use in intra-state transportation.

Your Committee received testimony in support of this measure from the Airlines Committee of Hawaii; and Island Air. Comments were received from the Department of Business, Economic Development and Tourism; Department of Taxation; and the Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a healthy interisland airline industry is vital to the State's economy. Hawaii's interisland airlines continue to face severe financial challenges. Sales of fuel sold from a foreign-trade zone for use by airlines traveling out of the State are exempt from general excise and use taxes. However, interisland flights are not exempt.

Your Committee further finds that exempting common carriers from the general excise and use taxes for sales of fuel from a foreign-trade zone for interisland flights would level the playing field and create a fairer market for all airlines.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 910      Energy and Environment on H.B. No. 425**

The purpose of this measure is to extend the authorization, from June 30, 2009, to June 30, 2014, to issue special purpose revenue bonds to Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning/thermal energy storage district cooling system on Oahu.

Testimony in support of this measure was submitted by two private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 111, Session Laws of Hawaii 2004, authorized the Department of Budget and Finance to issue special purpose revenue bonds in an amount up to \$32,000,000 and an additional \$68,000,000 in subsequent years, to Honolulu Seawater Air Conditioning, LLC, for the design and construction of a seawater air conditioning/thermal energy storage district cooling system. Your Committee finds that this measure is intended to extend the 2004 authorization to issue the initial \$32,000,000 in bonds to 2014. Your Committee also finds that, although progress has been made in moving the project ahead, certain permitting, environmental impact assessment studies, detailed design, and other factors have taken more time than originally contemplated. Construction on the project is scheduled to begin during the fourth quarter of 2009.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 425, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 911 Energy and Environment on H.B. No. 1483**

The purpose of this measure is to authorize the issuance of up to \$45,000,000 in special purpose revenue bonds to assist Better Place Hawaii, Inc. (Better Place), in the planning, designing, constructing, and developing of transportation infrastructure, equipment, and apparatus to support electric vehicles in Hawaii.

Testimony in support of this measure was submitted by two private organizations. Comments on this measure were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Better Place plans to develop an electric vehicle charging network on Oahu, Maui, and Hawaii, supporting approximately ten thousand electric vehicles in Hawaii by the year 2014. Funds raised from the special purpose revenue bonds will be used by Better Place to install electric vehicle charging stations in homes, public and private parking lots, government facilities, and shopping malls throughout the State.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 912 Commerce and Consumer Protection on H.B. No. 271**

The purpose of this measure is to permit the Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures for recording.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, the Commission to Promote Uniform Legislation, Hawaii Association of Realtors, and Hawaii Land Title Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the Bureau of Conveyances to become more efficient and up to date in its operations. Your Committee further finds that this measure does not require the Bureau of Conveyances to make any changes to its procedures until it has developed the capacity to do so. Your Committee further notes that this measure is based on the Uniform Real Property Electronic Recording Act, which has been adopted by eighteen other states and the District of Columbia. Your Committee finds that this measure addresses the Department of Land and Natural Resources' request that it be allowed to produce digital archives without also being required to produce microfilm records.

Your Committee has amended this measure by:

- (1) Allowing the Registrar of the Bureau of Conveyances and the Department of Accounting and General Services, upon authorization of the Registrar, to furnish maps or plans in photographic, electronic, or electrostatic form upon receiving a request for maps or plans;
- (2) Allowing the Registrar of the Bureau of Conveyances to furnish nonattested copies of instruments and documents in photographic, electronic, or electrostatic form upon receiving a request for instruments or documents;
- (3) Allowing the Registrar of the Bureau of Conveyances to convert existing information or documents into electronic form; and
- (4) Making nonsubstantive, technical changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 271, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 913 Commerce and Consumer Protection on H.B. No. 1414**

The purpose of this measure is to make permanent the prohibition against stealing beer kegs and the documentation requirements for scrap metal dealers contained in Act 53, Session Laws of Hawaii 2008.

Your Committee received testimony in support of this measure from the Department of the Attorney General, the Department of the Prosecuting Attorney of the City and County of Honolulu, Hawaiian Electric Company, and Anheuser Busch Companies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Current law establishing a misdemeanor offense for the theft of beer kegs and imposing certain record-keeping requirements on scrap metal dealers includes a provision to repeal the Act creating the law on July 1, 2009. Your Committee finds that the prohibitions and record-keeping requirements contained in the current law have proven effective at deterring theft of beer kegs and merit permanence.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 914 Commerce and Consumer Protection on H.B. No. 1031**

The purpose of this measure is to improve Hawaii's antitrust laws by specifying that the State and its political subdivisions or agencies may bring a civil action to enforce antitrust laws and clarifying the allowable amount of recovery and venue for such actions.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the State to recover damages incurred due to unfair and deceptive trade practices and unfair methods of competition among manufacturers or vendors. Your Committee finds that this measure is necessary in light of recent Ninth Circuit rulings that limit recovery under antitrust laws to direct purchasers in the absence of specific legislation otherwise. Your Committee finds that since Hawaii has virtually no domestic manufacturing economy, government procurement is heavily dependent on outside manufacturers and vendors. This measure will allow the State to enforce its antitrust laws and recover damages due to violations of those laws regardless of whether purchases are made directly from the manufacturer or through a third party such as a vendor or distributor.

Your Committee has amended this measure by making nonsubstantive technical changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1031, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1031, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 915 Commerce and Consumer Protection on H.B. No. 812**

The purpose of this measure is to protect the safety of victims of domestic violence by allowing them to terminate a rental agreement without penalty after proper notification to the landlord.

Your Committee received testimony in support of this measure from the Honolulu Police Department, Hawaii State Coalition Against Domestic Violence, Legal Aid Society of Hawaii, and one private citizen. Testimony with comments on this measure was received from Hawaii Association of Realtors and National Association of Residential Property Managers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in 2008, the number of domestic violence fatalities in this State reached an all-time high. Your Committee finds that this measure will provide protection to victims of domestic violence, abuse, and stalking by allowing a victim to quickly relocate without being unnecessarily burdened by a rental agreement. Survivors of domestic abuse often have difficulty finding housing after leaving an abusive situation due, in part, to negative rental histories as a result of past abuse. Your Committee finds that this measure removes at least one barrier to fleeing an abusive situation by removing the negative impact on a victim's rental history of ending a lease because of the need to quickly leave a dangerous housing situation.

Your Committee has amended this measure by:

- (1) Clarifying the procedure for terminating a lease after notice of a tenant's intention to vacate a rental property due to domestic violence;
- (2) Clarifying the status of any remaining tenants in a rental unit after one or more tenants has vacated the property due to domestic violence; and
- (3) Making nonsubstantive technical changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 812, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 812, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 916 Commerce and Consumer Protection on H.B. No. 618**

The purpose of this measure is to enact the Uniform Prudent Management of Institutional Funds Act to accommodate contemporary investment and expenditure practices in the management of funds intended to finance charitable purposes.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation and Hawaii Alliance of Nonprofit Organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure allows public and private sector entities to respond to changing market conditions and industry practices in the management of funds designated for charitable purposes. Your Committee finds that this measure will



facilitate efficient management and allow fund managers to maximize the return on their investments while protecting the interests of fund donors and beneficiaries.

Your Committee has amended this measure by making technical, nonsubstantive changes to conform the language of this measure to existing statutory conventions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 618, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 917      Transportation, International and Intergovernmental Affairs on H.B. No. 267**

The purpose of this measure is to exempt a lessee of a rental motor vehicle from the proof of ownership requirement applicable to the interisland shipping of vehicles.

Your Committee received testimony in support of this measure from Catrala-Hawaii; Avis Rent A Car; Budget Rent A Car; The Hertz Corporation; Enterprise Rent A Car; Alamo Rent A Car; Young Brothers, Limited; and National Car Rental. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure provides that a lessee is exempt if:

- (1) The rental motor vehicle is transported by any water carrier authorized by the Public Utilities Commission to transport vehicles interisland;
- (2) The water carrier has a written agreement with the owner of the rental motor vehicle; and
- (3) The water carrier records and retains certain required information.

Your Committee finds that this measure would make it easier for tourists and rental car companies to transport rental cars on interisland water carriers. Your Committee further finds that each rental car company will have the flexibility to streamline and work out the paper requirements with such carriers. This measure should assist in avoiding potential problems and unnecessary delays.

Your Committee has amended this measure by:

- (1) Clarifying the language for specificity; and
- (2) Changing "interisland ferry" to "water carrier" to extend the exemption from the requirements of section 286-271, Hawaii Revised Statutes, relating to vehicle ownership and other information required from a shipper for the interisland shipping of vehicles, to the shipping of rental motor vehicles by all water carriers regulated by the Public Utilities Commission.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 267, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 267, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 918      Transportation, International and Intergovernmental Affairs on H.B. No. 1168**

The purpose of this measure is to clarify the authority of the Director of Transportation to adopt rules to require users or occupiers of airport land, buildings, or facilities for business or commercial purposes to defend, indemnify, and hold harmless the State against all claims, suits, and demands arising out of or resulting from the use or occupation.

Your Committee received testimony in support of this measure from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Transportation, to the extent possible, has required a duty on tenants and permittees to defend, indemnify, and hold harmless the State through lease agreements or revocable permits. However, there are other permittees who conduct commercial activities at airports facilities who do not have a lease agreement or a revocable permit. Although the Department of Transportation has adopted an administrative rule to impose on such permittees the duty to defend, indemnify, and hold harmless the State, the Hawaii, 111 Haw. 144 (2006), Supreme court has held in the case of *Haole v. State of Hawaii* that the Department did not have statutory to adopt such an administrative rule. This measure remedies the situation by granting the Department express statutory authority to adopt such rules, thus providing appropriate protections to the State.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1168, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 919      Transportation, International and Intergovernmental Affairs on H.B. No. 869**

The purpose of this measure is to clarify the responsibility of an owner of a rental motor vehicle for a summons or citation issued to a lessee of the vehicle.

Under current law, if a default judgment on a summons or citation is entered against a lessee of a rental motor vehicle, the owner/lessor of the rental motor vehicle will be responsible for the summons or citation if the owner/lessor does not provide the court with the lessee's name and address within 45 days of the lessor's receipt of notification. This measure extends the time period for the lessor's provision of the lessee's name and address to the court from 45 to 60 days and clarifies the court's responsibility to mail a copy of the summons or citation to the lessor within 60 days of its issuance.

Your Committee received testimony in support of this measure from Catrala-Hawaii; Dollar Thrifty Automotive Group, Incorporated; Avis Rent A Car; Budget Rent A Car; Enterprise Rent A Car; Alamo Rent A Car; National Rent A Car; and The Hertz Corporation. Comments were received from the Judiciary. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary because it is difficult for rental car companies, whose renters incur traffic violations, to find and locate records and respond in time to avoid payment of penalties and to meet deadlines. However, your Committee is aware that the Judiciary and local rental car industry personnel are currently working to address the concerns presented by this measure and that such efforts may obviate the need for this legislation. Your Committee encourages these efforts and urges the parties to take the opportunity to develop workable solutions now, before this measure is enacted by the Legislature.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 869, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 920      Transportation, International and Intergovernmental Affairs on H.B. No. 1163**

The purpose of this measure is to allow the Department of Transportation to impose upon private parties using state harbors the duty to defend, hold harmless, and indemnify the State.

This measure also defines "state harbor property" as the commercial harbors, ports, roadsteads, harbor buildings, and other harbor facilities of the State, including docks, wharves, piers, quays, bulkheads, or landings therein.

Your Committee received testimony in support of this measure from the Department of Transportation.

Section 19-41-7, Hawaii Administrative Rules, imposes a duty upon users of harbor facilities to defend and indemnify the State against all claims arising from their operations on Department of Transportation property and their use of the Department's facilities, except where the Department was proven to be solely and legally negligent. However, the Hawaii Supreme Court, in *Haole v. State of Hawaii*, 111 Haw. 144 (2006), held that the Department lacked the statutory authority to adopt a rule imposing such a duty. This measure provides the Department of Transportation with the express authority to impose the duty by rule, thus protecting the State from financial exposure in lawsuits filed against the State for injury caused to plaintiffs by the negligent acts of harbor facility users.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1163, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 921      Transportation, International and Intergovernmental Affairs on H.B. No. 1422**

The purpose of this measure is to allow the counties to remove abandoned motor vehicles from private roads, if the vehicle is inoperable and the owner or co-owner of a private road requests in writing to the appropriate county authority for the removal of the vehicle.

This measure also requires the owner of the private road to pay the county for the costs of removal of the vehicle and to agree to indemnify and hold harmless the county for the removal and disposal of the vehicle.

Your Committee received testimony in support of this measure from one individual. Testimony in opposition was received from the Honolulu Police Department. Comments were received from the City and County of Honolulu and the Counties of Hawai'i, Kaua'i and Mau'i. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that abandoned vehicles are littering the private roads and need to be removed. Current law does not provide for removal of abandoned vehicles on private roads. Some of these abandoned vehicles pose a public health hazard with leeching battery acids and transmission fluids. This measure provides a workable solution for both private road owners and the counties, while promoting the public health, safety, and welfare.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1422, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 922      Transportation, International and Intergovernmental Affairs on H.B. No. 623**

The purpose of this measure is to allow the Attorney General to contract with one or more counties for the purpose of processing and issuing state identification cards at satellite city halls or other locations.

Your Committee received testimony in support of this measure from the Waipahu Neighborhood Board. Comments were received from the City and County of Honolulu, and the Counties of Hawai'i, Kaua'i and Maui. Testimony in opposition was received from the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that state identification is vital for seniors, children, and other individuals who do not possess a driver's license or other picture identification. Currently, obtaining a state identification card (certificate of identification) is a lengthy process because processing and administration is conducted at a single location with limited hours of operation.

Honolulu's satellite city halls are convenient locations for state identification processing. Satellite city halls provide services with extended hours, weekend availability, and convenient locations. However, the islands of Moloka'i and Lana'i do not have county equivalents of a city hall as in Honolulu that can be used to issue state identification cards. Testimony of the counties indicates that they are willing to use driver licensing offices, which are equipped for a similar purpose.

Your Committee has amended this measure by deleting its contents and inserting the provisions of Senate Bill No. 277, S.D. 1, a similar measure that allows the use of any suitable county facility as an alternative and has an effective date of upon approval.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 623, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 623, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 923      Transportation, International and Intergovernmental Affairs on H.B. No. 1040**

The purpose of this measure is to make permanent Act 170, Session Laws of Hawaii 2002 (Act 170), relating to county liability for lifeguard services, and Act 82, Session Laws of Hawaii 2003 (Act 82), relating to public land liability.

Your Committee received testimony in support of this measure from the Attorney General; the Department of Land and Natural Resources; Hawaii Council of Mayors; City and County of Honolulu, Departments of the Corporation Counsel and Emergency Services; County of Hawai'i; Kaua'i County Fire Department; Hawaiian Lifeguard Association; Hawaii Government Employees Association; Hawaii Association for Justice; two Maui County Councilmembers; one Kaua'i County Councilmember; and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 170 created a climate in which lifeguard services could be provided by the counties without fear of liability, and, therefore, is a life-saving measure that should be made permanent.

Your Committee further finds that Act 82, providing limited liability protections for the State and counties for incidents arising on improved public lands if certain signage requirements are met, should also be made permanent.

According to testimony of the State Attorney General, following the enactment of Act 170 there have been:

- (1) A total of 131 lifeguard rescues on Oahu's previously unguarded beaches;
- (2) 48 rescues since July 1, 2008 when lifeguard services commenced at Ke'e Beach on Kaua'i; and
- (3) Approximately 267 rescues at Hapuna Beach Park on Hawai'i.

Testimony of an emergency room physician at Wilcox Hospital who is also Co-Chair of the Kauai Water Safety Task Force, indicated that since July 1, 2008 at Ke'e Beach, out of a total estimated 71,428 beachgoers, there have been:

- (1) 49 rescues;
- (2) 333 first aid assistance;
- (3) 7,548 prevention incidences; and
- (4) 18,882 public contacts.

Your Committee finds that these numbers more than justify passage of this measure, notwithstanding that the number of cases actually culminating in a lawsuit is probably relatively small. This measure encourages the State and counties to provide lifeguard services and to keep recreational areas and public beach parks open to the public, by limiting exposure to liability.

Your Committee has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1040, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1040, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 924      Transportation, International and Intergovernmental Affairs on H.B. No. 214**

The purpose of this measure is to authorize the issuance of general obligation bonds and make an appropriation for Wailua emergency bypass road repair and resurfacing, as well as Waimea wastewater treatment plant upgrades for the County of Kaua'i.

Your Committee received testimony in support of this measure from the County of Kaua'i and The Laborers' Union. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would enable:

- (1) The provision of continuous and reliable service to public and private users in the Waimea service area;
- (2) The lifting of present capacity restrictions, by allowing new connections, including connections for the development of affordable housing and business expansion;
- (3) The upgrading of effluent water quality to meet standards for irrigation reuse;
- (4) The improvement of water quality on the coastal plain between Waimea and Kekaha; and
- (5) The provision of solar electric capacity in order to offset the energy requirements associated with the Waimea wastewater treatment plant expansion.

Your Committee notes from the testimony that \$6,950,000 is requested by the Department of Public Works of the County of Kaua'i for the following projects. This figure includes:

- (1) \$6,000,000 for improvements to the Waimea wastewater treatment plant; and
- (2) \$950,000 for the emergency bypass road.

Your Committee leaves consideration of the amount of the appropriation to the Committee on Ways and Means.

Your Committee has amended this measure by inserting the expending agency as the Department of Public Works, County of Kauai, and inserting a lapse date.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 214, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 214, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 925      Transportation, International and Intergovernmental Affairs on H.B. No. 1166**

The purpose of this measure is to:

- (1) Clarify that the passenger facility charge is a charge for the use and services of an undertaking for the purposes and within the meaning of the law relating to the financing of revenue bonds;
- (2) Allow moneys paid into the passenger facility charge special fund to be appropriated, applied, or expended by the Department of Transportation for airport capital improvement program projects approved by the Legislature and as permitted by federal law; and
- (3) Allow the establishment of other accounts within the passenger facility charge special fund; and require the transfer of the passenger facility charge into the other accounts to pay debt service on the related bonds.

Your Committee received testimony in support of this measure from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the passenger facility charge provides the Department of Transportation with an additional capital funding source to provide for the expansion of the airport system. Current law is unclear regarding the use of the passenger facility charge for the indirect financing of structures through the issuance of bonds. This measure, among other things, enables the Department to finance the cost of airport projects with the proceeds of bonds completely or partially backed by the passenger facility charge. Accordingly, this measure supplies the Department with the appropriate flexibility needed to fund the expansion of the airport system.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1166, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1166, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 926      (Joint/Majority) Transportation, International and Intergovernmental Affairs and Education and Housing on H.B. No. 863**

The purpose of this measure is to create a county infrastructure development revolving loan fund, to provide no-interest loans to the counties for infrastructure improvement projects that support transit-oriented development.

Your Committees received testimony in support of this measure from the City and County of Honolulu, Department of Planning and Permitting; the Office of Hawaiian Affairs; Building Industry Association of Hawaii; The Chamber of Commerce of Hawaii; Hawaii Developers' Council; the Land Use Research Foundation of Hawaii; Hawaii Pacific Engineers, Incorporated; and Hawaii Building &

Construction Trades Council, AFL-CIO. Testimony in opposition was received from the Department of Budget and Finance. Written testimony presented to your Committees may be reviewed on the Legislature's website.

The county infrastructure development revolving loan fund will be used to provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development, particularly projects involving affordable housing. Permitted uses of the funds may include planning, design, land acquisition, costs of options, agreements of sale, or other infrastructure-related services or activities that may be provided in rules.

The projects are expected to spur transit-oriented development all along the mass transit corridor. To accommodate the expected future growth in these areas, upgrades and improvements to increase capacity to infrastructure in these areas will be necessary. Making these upgrades and replacements will result in more compact, dense, and coordinated development along this transportation corridor with an added benefit of reducing urban sprawl.

Your Committees have amended this measure by changing the effective date to July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 863, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 863, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, 2 (Hemmings, Slom). Excused, 4 (Chun Oakland, English, Gabbard, Tsutsui).

**SCRep. 927 Commerce and Consumer Protection on H.B. No. 1071**

The purpose of this measure is to establish a system of licensure and regulation of mortgage servicers of residential mortgage loans secured by real property located in Hawaii.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Office of Hawaiian Affairs, Hawaii Financial Services Association, and Legal Aid Society of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that mortgage servicers are frequently a borrower's only contact for information regarding the borrower's mortgage loan and are the only party to which a borrower has access to address and resolve matters that can arise in the course of making payments on that loan. Your Committee further finds that many servicers are unable or unwilling to assist borrowers in distress to negotiate a modification or workout of a delinquent loan because of financial disincentives that are inherent in the foreclosure process. Your Committee finds that licensure and regulation is necessary to protect Hawaii homeowners, especially as the rate of home mortgage foreclosures rises due to the current economic recession.

Your Committee has amended this measure by:

- (1) Assigning regulatory responsibility and oversight of mortgage servicers to the Commissioner of Financial Institutions;
- (2) Specifying that the fee for license application shall be \$500 and the fee for license renewals shall be \$250;
- (3) Clarifying that the licensure and regulatory provisions in this measure apply to any person engaged in the business of mortgage servicing in this State, regardless of actual physical presence in the State;
- (4) Specifying the activities that are prohibited pursuant to this measure;
- (5) Changing the effective date to January 1, 2010; and
- (6) Making technical, nonsubstantive changes for the purposes of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1071, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 928 Commerce and Consumer Protection on H.B. No. 1074**

The purpose of this measure is to update the Insurance Code by:

- (1) Adding missing statutory references to clarify the deposit and lapsing requirements for funds generated from the drivers education fund underwriters fee for motorcycle and motor scooter insurance policies;
- (2) Clarifying the standards applicable to the preparation of annual audited financial statements presently required of domestic insurers;
- (3) Clarifying allowable insurer investments to meet capital and reserve requirements;
- (4) Setting a time limit for insurers to claim the Retaliatory Tax Credit;
- (5) Limiting the issuance of surplus lines broker licenses;
- (6) Allowing a limited adjuster license for crop insurance claims;
- (7) Amending continuing education requirements for licensees; and

- (8) Amending rate filing requirements to accommodate Hawaii's March 1, 2009 adoption of the National Association of Insurance Commissioners System for Electronic Rate and Form Filing.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, The American Council of Life Insurers, National Council of Insurance and Financial Advisors, and Hawaii Independent Insurance Agents Association. Testimony with comments was received from Hawaii Medical Service Association and Char Hamilton Campbell & Yoshida. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to ensure that the Insurance Code is both current and in conformity with the best practices in insurance regulation. Your Committee further finds that the amendments to continuing education requirements allow Hawaii to remain in compliance with the requirements of the National Association of Insurance Commissioners. Your Committee notes that testimony in support of this measure was received from representatives from the insurance industry as well as from the Department of Commerce and Consumer Affairs, the regulator body that oversees the industry.

Your Committee has amended this measure by:

- (1) Clarifying that both workers' compensation and crop insurance limited adjuster's licenses require renewal by examination;
- (2) Changing its effective date to July 1, 2009; and
- (3) Making nonsubstantive technical amendments for the purposes of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1074, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1074, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 929 Economic Development and Technology on H.B. No. 610**

The purpose of this measure is to allow the State to further develop the high technology sector of the economy by establishing a Hawaii State Science and Technology Task Force within the High Technology Development Corporation.

This measure also appropriates an unspecified amount of funds to be expended by the High Technology Development Corporation to support the operations of the Hawaii State Science and Technology Task Force.

Testimony in support of this measure was submitted by the Department of Education. Testimony in opposition of this measure was submitted by the Hawaii Science and Technology Council. Comments on this measure were submitted by EPSCoR Hawaii and the High Technology Development Corporation. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that it is vital to amend the Hawaii State Planning Act to include references to science and technology initiatives to help Hawaii achieve various economic objectives. Your Committee also finds that it is essential to plan for science and technology initiatives that will play an instrumental role in developing Hawaii's economy to enable the State to capitalize on the financial opportunities that emerging industries involving science and technology often present.

Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 1195, S.D. 1, which:

- (1) Amends the Hawaii State Planning Act to, among other things:
  - (A) Encourage economic activities capitalizing on defense, dual-use, and science and technology assets, particularly on the neighbor islands;
  - (B) Stimulate emerging industries in science and technology;
  - (C) Strengthen economic productivity in agriculture and enhance the development of new agricultural products and by-products;
  - (D) Use Hawaii's strengths in science and technology to improve the quality of existing visitor destination areas;
  - (E) Build upon dual-use and defense applications to develop thriving ocean engineering, aerospace research and development, and related dual-use technology sectors in Hawaii's economy;
  - (F) Expand and diversify renewable energy development, creative media, and science and technology-based sectors; and
  - (G) Position Hawaii as a leader in broadband communications and applications in the Pacific Region; and
- (2) Requires the Department of Business, Economic Development, and Tourism to annually update and report on the criteria used to measure growth in emerging growth industries.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 610, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 610, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 930 Education and Housing on H.B. No. 1221**

The purpose of this measure is to authorize general obligation bond funds for affordable housing projects and allow the funds to be used to match federal funds that may be appropriated under any federal fiscal stimulus legislation.

Testimony in support of this measure was submitted by two state agencies and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would provide additional support for the development, reconstruction, renovation, or rehabilitation of affordable housing projects and related infrastructure. Your Committee is supportive of these efforts to address Hawaii's affordable housing shortage.

Your Committee has amended this measure by extending the lapse date for the appropriation by one year, to June 30, 2012.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1221, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1221, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Tsutsui). Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 931 Education and Housing on H.B. No. 1376**

The purpose of this measure is to:

- (1) Establish a Facilities Alignment Commission to establish criteria for the selection of public schools to be constructed, expanded, consolidated, or closed and to recommend, based upon these criteria, a list of areas for new school construction, and of schools for expansion, consolidation, or closure, subject to the review of the Legislature; and
- (2) Direct the Board of Education to proceed with the process of constructing, expanding, consolidating, or closing schools according to the recommendations of the Facilities Alignment Commission, if the Legislature does not disapprove of the recommendations in their entirety.

Testimony in support of this measure was submitted by four private organizations. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee understands that the Department of Education and the Board of Education have already begun a process to identify clusters of schools where school consolidation should be reviewed as provided in chapter 8-38, Hawaii Administrative Rules. To date, a task force to study the possible consolidation of Wailupe Valley and Aina Haina Elementary Schools has been organized, has met three times, has submitted a report to the Complex Area Superintendent, and the Complex Area Superintendent has instructed the task force to hold a public hearing. Following the public hearing, the task force will make its recommendation to the Complex Area Superintendent, who in turn will make a recommendation to the Superintendent, who in turn will make a recommendation to the Board of Education. Your Committee has heard that the Superintendent's recommendation will be delivered to the Board in April.

In addition, your Committee understands that three more task forces, one to study the consolidation of Keanae and Hana Schools, another to study the consolidation of the elementary schools on Molokai, and a third to study the consolidation of Waiahole, Kaaawa, and Hauula elementary schools have been appointed. The Department also has identified sixteen additional clusters of schools where consolidation studies should be undertaken, and the Department intends to initiate the studies of all sixteen areas within the next twenty-four months.

Your Committee commends the Department and the Board of Education for their proactive response on this matter, and anticipates their initial recommendations in a few weeks. However, your Committee believes additional alternatives should not be dismissed as unnecessary, and will advance this measure as one means of continuing alternatives.

Your Committee has amended this measure by amending the effective date to July 1, 2040, for the purposes of continuing discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1376, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1376, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 932 Education and Housing on H.B. No. 1692**

The purpose of this measure is to restrict state low-income housing leases, in certain cases, to no more than five years.

Testimony in support of this measure was submitted by two government agencies and nine individuals. Five private organizations submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the inventory of public housing has not been able to keep up with demand, and that this measure would provide one means of ensuring greater turnover in public housing dwelling units. Your Committee also recognizes that simply restricting the amount of time that any person may rent or lease a public housing dwelling unit will not resolve the cycle of poverty unless the tenants have access to programs of homeownership counseling, financial literacy, and employment training.

Your Committee further understands that the federal government has initiated pilot programs to address the cycle of public housing and poverty.

Your Committee has amended this measure accordingly, by:

- (1) Restricting an unspecified percentage of state low-income housing leases, in certain cases, to no more than five years;
- (2) Requiring the Hawaii Public Housing Authority to review federal pilot programs intended to break the cycle of public housing and welfare, including related support programs, and to report to the 2010 Legislature; and
- (3) Amending the purpose section to reflect these changes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1692, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1692, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 933 Economic Development and Technology on H.B. No. 1207**

The purpose of this measure is to update and improve services provided by the Hawaii Community-Based Economic Development Program.

Specifically, this measure achieves the following:

- (1) Clarifies the definition of "community of interest" to mean a group of people who may not live in the same geographic area, but who are bound together through a common economic interest;
- (2) Deletes the requirement for royalties to be deposited into the Hawaii Community-Based Economic Development Revolving Fund, but requiring all other moneys received by the Fund to be deposited into the Fund;
- (3) Deletes the restriction against reallocating funds from the loan program to the grant program; and
- (4) Lowers the maximum loan amount and interest rate on loans to a qualified applicant.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Office of Hawaiian Affairs, Hawaii Alliance of Nonprofit Organizations, and Maluohai Residents Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Community-Based Economic Development Program must adjust and evolve to the constant changing needs of non-profit community-based organizations. Your Committee also finds that decreasing the principal loan amounts and interest rates, as well as allowing the Hawaii community-based economic development revolving fund to receive moneys from any source rather than just the general fund, will allow the Hawaii Community-Based Economic Development Program to provide more funding and grants to qualified applicants.

Your Committee has amended this measure by:

- (1) Adding the definition of "community-based organization" to remove the restriction for a community-based organization to be membership-based; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1207, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1207, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 934 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1471**

The purpose of this measure is to establish a pilot program within the Department of Agriculture to encourage farmers to form agricultural cooperatives, coordinate purchasing agreements between the agricultural cooperatives and hotels, restaurants, and other buyers in the visitor and hospitality industries, and develop and implement safe food certification for products under the program.

The measure also establishes the Food Certification Pilot Program Special Fund and appropriates funds for the program.

Testimony in support of this measure was submitted by seven organizations. Comments were submitted by one public citizen. Testimony in opposition was submitted by two state agencies. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the hotel industry in Hawaii buys an estimated 28-32 per cent of locally grown agricultural products, of which pineapple and papaya are the major purchases. The importation of agricultural products to service the hotel industry is 68 per cent, and if pineapple and papaya were removed, the imported products are estimated to be approximately 82 per cent. Your Committee believes that the hotel industry in Hawaii can increase the amount of locally grown agricultural products purchased annually from local farms. The hotel industry requires, however, that the farms have, or be in the process of obtaining their third party food safety certifications and audits. A key factor in increasing the amount of local produce sold to hotels is increased coordination and communication among farmers with desired specialty crops, packers and processors, qualified distributors, and buyers. An on-farm food safety education program provides the "coaching" for farmers in applying best food safety practices and disciplines in preparing the land, growing, harvesting, and processing the crops. This measure will further the development of the infrastructure needed for the hotel industry and related industries to use the agricultural products which are produced locally.



As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 935 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1665**

The purpose of this measure is to prohibit the sale of public lands on which government-owned Hawaiian fishponds are located.

Testimony in support of this measure was submitted by one state agency, six organizations, and six public citizens. One state agency submitted comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that fishponds were and continue to be important cultural resources for native Hawaiians. Fishponds today serve as a source of sustenance for communities, and they offer a wide range of educational opportunities. Fishponds can be used to teach students mathematics, science, and native Hawaiian culture. Fishpond restoration is a major part of the native Hawaiian cultural revival movement, with a number of groups across Hawaii taking on the kuleana of bringing once-forgotten fishponds back to life.

Your Committee further finds that one of the most important steps the State could take to restore nearshore fisheries would be to rehabilitate the nearshore estuarine habitat, and an important component would be reviving fresh spring water. Habitat loss, fresh water diversion, siltation, and pollution are key components affecting the condition of the reef. Fishponds provide a habitat for the recruitment (where infant fish survive) of nearshore reef fisheries, and rehabilitating the fishponds will provide the nursery grounds necessary to ensure the protection of nearshore fisheries.

Your Committee has amended this measure by making it effective upon approval.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1665, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1665, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 936 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 899**

The purpose of this measure is to clarify and strengthen the Office of Hawaiian Affairs' (OHA) bond authority.

Specifically, this measure clarifies that:

- (1) If OHA adheres to part II of chapter 10, Hawaii Revised Statutes, no other law need be enacted to authorize the principal amounts of an OHA revenue bonds issuance;
- (2) OHA's Board of Trustees can issue revenue bonds without further authorization or approval; and
- (3) OHA can meet the requirement that a project financed by revenue bonds is self-supporting not only by imposing and collecting rates, rents, fees, and charges for the use or enjoyment and services, but also by using other OHA revenues.

Testimony in support of this measure was submitted by one organization, one state agency supported the measure with amendments, and one state agency submitted comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure makes a number of technical changes in OHA's existing bond statutes to make it consistent, where appropriate, with other State bond statutes and government bond practice. The changes are designed to put OHA in the best position to enter the bond market on solid footing at a time when the State and national economies are creating a new impetus for OHA to seek alternative sources of funding for its projects.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 899, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 937 Commerce and Consumer Protection on H.B. No. 1316**

The purpose of this measure is to abolish joint and several liability for design professionals and public utilities in tort claims relating to the design and maintenance of public highways, except where the design professional or public utility's degree of negligence is twenty-five per cent or greater.

Your Committee received testimony in support of this measure from American Public Works Association, American Council of Engineering Companies of Hawaii, American Society of Civil Engineers, Coalition of Hawaii Engineering and Architectural Professionals, Hawaiian Electric Company, Hawaiian Telcom, Arcadia Architecture, Belt Collins Hawaii, Bills Engineering, Brown and Caldwell, Engineering Solutions, Finance Insurance, Ltd., Kelso Architects, Shigemura, Lau, Sakanashi, Higuchi and Associates, Inc., Fukunaga & Associates, The Limtiaco Consulting Group, Kai Hawaii, Sarwar Structural Engineering, Hawaii Pacific Engineers,

and fifty private citizens. Testimony in opposition to this measure was received from Hawaii Association for Justice. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there is widespread support for this measure among engineering and structural design interests. Your Committee further finds that this measure will not eliminate the liability of design professionals and public utilities, but will rather limit liability to the percentage of damages actually attributable to the professional or to the utility where those parties are found to be less than twenty-five per cent at fault. If the design professional or public utility is more than twenty-five per cent at fault, joint and several liability will still apply.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1316, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 938 Commerce and Consumer Protection on H.B. No. 1415**

The purpose of this measure is to require condominium associations, planned community associations, and cooperative housing corporations to implement a policy to provide entry for a process server.

Your Committee received testimony in support of this measure from Hawaii Council of Apartment Owners, the Collection Law Section of the Hawaii State Bar Association, Alston Hunt Floyd & Ing, and one private citizen. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs and the Real Estate Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that fair and efficient service of process is an important component of a fair and efficient civil legal system. Your Committee further finds that under the current law, an individual living in a condominium, cooperative housing project, or gated community may be able to delay or avoid service of process by denying the process server entry to the property. Your Committee finds that this measure strikes a reasonable balance between respect for private property rights and the need to promote efficiency in the judicial process by requiring access for a process server but allowing an association or housing corporation to determine its own access policy.

Your Committee notes that it is the intent of this measure to require that the responsibility of the various entities within the Department of Commerce and Consumer Affairs (DCCA) for implementing this measure is limited to adopting or amending forms only for the housing entities under their respective jurisdiction. Your Committee anticipates that the extent of each DCCA entity's duty under this measure is to provide a means for a housing entity to indicate on its already mandated filings that the housing entity has an access policy in place.

Your Committee has amended this measure by:

- (1) Making this measure effective upon approval;
- (2) Deferring the date by which condominium associations, planned community associations, and cooperative housing corporations are required to report their respective access policies to January 1, 2010 in order to allow all affected parties time to implement the requirements of this measure; and
- (3) Making nonsubstantive technical changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1415, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1415, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 939 Commerce and Consumer Protection on H.B. No. 1417**

The purpose of this measure is to prohibit the placement of paid, third-party advertisements on vehicles and trailers.

Your Committee received testimony in support of this measure from The Outdoor Circle and Na Leo Pohai. Testimony with comments was received from the Department of the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current law allows advertisers to place signs and advertisements on vehicles when these same signs and advertisements would be prohibited if they were posted anywhere else, such as on a building or along the roadside. These vehicles function as billboards when they are driven or parked on the side of the road. Your Committee notes that this measure does not apply to vehicles or trailers that display advertisements for the business for which the vehicle or trailer is actually used.

Your Committee notes the concerns related to First Amendment rights as applied to commercial speech raised by the Department of the Attorney General. Your Committee respectfully requests that the Committee on Judiciary and Government Operations apply its expertise to further investigate this issue, which is properly within that Committee's jurisdiction.

Your Committee has amended this measure by:

- (1) Revising the purpose section of this measure to accurately reflect the contents of the measure;

- (2) Clarifying that "economic benefit" does not include benefits that may be derived by the vehicle owner from advertising its own business; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1417, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1417, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 940 (Joint) Economic Development and Technology and Commerce and Consumer Protection on H.B. No. 988**

The purpose of this measure is to further the State's efforts toward self-sufficiency by amending the Hawaii Procurement Code to make it more likely that agricultural products procured by government agencies are products grown in the State.

Testimony in support of this measure was submitted by the Department of Agriculture, Hawaii Farm Bureau Federation, and Hawaii Food Industry Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that providing local agricultural producers and farmers with a purchasing preference on sales to government agencies will enable those small agricultural producers and farmers to receive an economic boost in their business. Your Committees also find that local agricultural producers and farmers will benefit from this measure because with the additional protections for small businesses under the procurement code, those local agricultural producers and farmers will have more market opportunities to sell their Hawaii agricultural products to government agencies.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 988, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 988, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Hee, Ihara, Hemmings).

**SCRep. 941 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Energy and Environment on H.B. No. 591**

The purpose of this measure is to authorize and encourage the establishment of preferential rates for renewable energy produced in conjunction with agricultural activities.

Testimony in support of this measure was submitted by four organizations. Comments were submitted by one state commission. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this is a critical juncture for agriculture in Hawaii, and that prolonged drought and the rapidly deteriorating economy are having a significant negative impact upon the agricultural industry. This measure will help support the continuation and growth of the agricultural industry.

The Hawaiian Commercial and Sugar Company (HC & S) produces electricity for its sugar milling, irrigation pumping, and other internal operations and provides electricity to the Maui Electric Company (MECO). The biomass electricity is primarily produced by burning bagasse, the residual fiber of the sugar cane plant, as a fuel to generate steam for the production of power. In addition to providing approximately seven per cent of MECO's electricity, HC & S also serves as a firm power source for MECO, and has played a significant role in the restoration of MECO's electrical service during power outages. The preferential renewable energy rates will enhance the prospects of attracting new agricultural related renewable energy producers as well as retain those presently in production. The result will be a reduction in Hawaii's dependence on fossil fuel imports, a step towards Hawaii's future energy security, and a method to sustain the agricultural industry.

Your Committees have amended this measure by changing the effective date to upon approval.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 591, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 591, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Ihara, Bunda, Hemmings).

**SCRep. 942 Education and Housing on H.B. No. 363**

The purpose of this measure is to require the counties to:

- (1) Offer incentives for the development of affordable housing, including density bonuses, height waivers, cluster zoning, greater design flexibility, waiving water and sewer connection fees, priority infrastructure financing, and site flexibility; and
- (2) Provide flexibility in public facility requirements for rental housing projects with units for tenants at or below one hundred per cent of median income levels, and raising from twenty to forty per cent, the units set aside for tenants with incomes eighty per cent or below the area median family income.

Testimony in support of this measure was submitted by four government agencies and three private organizations. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is one of many alternatives being considered that would provide additional incentives for the development of affordable housing.

Your Committee further finds that the City and County of Honolulu's mass transit project offers exceptional opportunities for the development of affordable housing. To that end, your Committee previously heard and approved S.B. No. 442, S.D. 1, which in part established a Commission on Transit Oriented Development, to facilitate the development of affordable housing.

Your Committee has amended this measure accordingly, by:

- (1) Establishing a Commission on Transit Oriented Development to facilitate affordable housing in transit oriented developments by better coordinating transportation and housing planning and programs;
- (2) Authorizing the counties, through their incentives for affordable housing, to establish priorities for the development of affordable housing in transit oriented developments; and
- (3) Amending the purpose section to reflect these changes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 363, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 363, H.D. 2, S.D. 1, and be referred to the Committee on Transportation, International and Intergovernmental Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Tsutsui). Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 943 Education and Housing on H.B. No. 1436**

The purpose of this measure is to amend the permitted uses of land within the agricultural district with soil classifications of A or B to include educational facilities and agricultural appurtenances.

Testimony in support of this measure was submitted by two private organizations. Two government agencies, one county agency, and one individual submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under current law, a special permit is required for schools in the state agricultural district. The special permit process allows consideration of "unusual and reasonable" uses proposed in either the state agricultural or rural district, and is the appropriate mechanism to ensure that a proposed use does not conflict with existing or potential agricultural activity.

Your Committee understands, however, that the Department of Agriculture and the Office of Planning have developed alternative language to accommodate educational pursuits in agricultural district class A or B lands.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the proposed amendment to add educational facilities to subsection 205-4.5(1)(5), Hawaii Revised Statutes; and
- (2) Adding agricultural education programs conducted on a farming operation as a permitted use; provided that the agricultural education programs are accessory and secondary to the principal agricultural use and do not interfere with surrounding farm operations, and adding a definition of "agricultural education programs".

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1436, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1436, H.D. 1, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 944 Energy and Environment on H.B. No. 427**

The purpose of this measure is to encourage the development of alternative energy and renewable fuel technologies by authorizing the issuance of up to \$40,000,000 in special purpose revenue bonds for One Planet Pacific Energy, LLC (One Planet), to build a gasification facility adjoining the construction and demolition material solid waste landfill located in Nanakuli on the island of Oahu.

Testimony in support of this measure was submitted by one private organization. Comments were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that One Planet's proposed 500-ton per day gasification facility will use construction and demolition waste and produce an environmentally friendly renewable fuel. One Planet's proposed process produces minimal emissions and no harmful or toxic byproducts. Additionally, the project will also create a substantial number of jobs for the local market both during construction and once construction is completed to operate and maintain the plant.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 427, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 945 Energy and Environment on H.B. No. 426**

The purpose of this measure is to promote renewable energy development in Hawaii by authorizing the issuance of up to \$30,000,000 in special purpose revenue bonds to assist Honolulu Seawater Air Conditioning, LLC, in designing and constructing a district cooling project.

Testimony in support of this measure was submitted by two private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Legislature previously authorized a total of \$100,000,000 in special purpose revenue bonds for this project. This measure authorizes an additional sum, due to cost increases for various systems' components, findings made during the final design, and general inflation since 2003. Notwithstanding these cost increases, your Committee finds that assisting this project continues to be worthwhile both economically and environmentally.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 426, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 946 Energy and Environment on H.B. No. 370**

The purpose of this measure is to revert the license tax on liquid fuels back to one cent per gallon for diesel oil used in electric power generation by a power-generating facility regulated by the Public Utilities Commission.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition to this measure was submitted by two state departments. Comments were on this measure were submitted by one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Act 209, Session Laws of Hawaii 2007 (Act 209), increased the tax on diesel fuel from one cent to two cents per gallon, regardless of use. Your Committee believes that the Legislature, in passing Act 209, did not intend to impact electrical power generating facilities with this tax increase. Therefore, the reversion to the one cent rate is appropriate.

Your Committee also finds that, while the measure will have an impact on the State Highway Fund, it is important that the State move forward to provide fairness to electricity customers across the State. For example, Kauai Island Utility Cooperative (KIUC) currently generates approximately one-half of its annual production of electricity using diesel oil. The additional one cent tax annually adds about \$150,000 to its costs, which are passed to KIUC ratepayers.

Your Committee has amended this measure by:

- (1) Changing the effective date of the measure from July 1, 2020, to July 1, 2009; and
- (2) Making nonsubstantive, technical changes for consistency and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 370, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 370, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 947 Energy and Environment on H.B. No. 371**

The purpose of this measure is to repeal the sunset provision on the law imposing a one cent per gallon tax on naphtha when sold for use in a power-generating facility.

Testimony in support of this measure was submitted by one state department and two private organizations. Testimony in opposition to the revenue loss resulting from this measure was submitted by one state department. Comments were submitted by one private organization. One state department submitted a statement of no position regarding this measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure removes the sunset provision of Act 103, Session Laws of Hawaii 2007. This measure will allow naphtha to continue to be taxed at the same rate of one cent per gallon as applies to diesel oil, gasoline, and aviation fuel. Your Committee also finds that use of naphtha for power generation should be encouraged, as it has a lower sulfur content than other liquid fossil fuels typically used in power generation. In addition, the burning of naphtha emits lower levels of carbon dioxide as compared to distillate or residual fuel oil.

Your Committee has amended this measure by changing the effective date of the measure from July 1, 2020, to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 371, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 948 (Joint) Energy and Environment and Economic Development and Technology on H.B. No. 279**

The purpose of this measure is to support renewable energy development in Hawaii by:

- (1) Establishing a Renewable Energy Branch in the Department of Business, Economic Development, and Tourism (DBEDT) to coordinate and promote renewable energy initiatives;
- (2) Strengthening laws supporting energy diversification, long-term provision of dependable energy services, and use of diverse energy technologies; and
- (3) Providing adequate resources for the support of the renewable energy industry, and for comprehensive energy planning, by DBEDT.

Testimony in support of this measure was submitted by one private organization. Testimony in support of the intent of this measure, with suggested amendments, was submitted by DBEDT. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the Hawaii State Energy Office, within DBEDT, has been focusing on renewable energy, and seeking and encouraging the use of federal funding for energy projects that use Hawaii's abundant renewable energy resources to meet a significant portion of its energy needs. DBEDT has received feedback from federal sources that the framework established in the Hawaii Clean Energy Initiative places the State in a good position for competitive funding for energy projects. However, DBEDT asserts that without additional staff, it has limited capacity to pursue and act on these opportunities.

Your Committees have amended this measure by:

- (1) Replacing the term "energy analysts" with "positions" to clarify that DBEDT has the authority to identify and hire person with the necessary mix of knowledge, skills, and abilities to successfully carry out the duties of the Renewal Energy Branch;
- (2) Adding a provision to address oversight of projects funded by federal grants, as suggested by DBEDT;
- (3) Changing its effective date from July 1, 2020, to July 1, 2009; and
- (4) Making technical, nonsubstantive changes for style and clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 279, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 279, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 949 Energy and Environment on H.B. No. 1491**

The purpose of this measure is to reduce the aggregate annual amount of ethanol facility tax credit from \$12,000,000 to \$8,000,000 from July 1, 2011, through December 31, 2012.

Comments were submitted by one private organization. Testimony in opposition to the measure was submitted by one state department. Testimony suggesting an amendment to the measure was submitted by one private organization. One state department submitted a statement of no position. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure temporarily reduces the total amount of ethanol facility tax credits that may be issued and helps to perpetuate the tax incentives for the construction and development of an ethanol production facility in the State. Your Committee finds that, during these difficult economic times, it is important to balance budget realities with the imperatives of developing a renewable fuel industry in Hawaii. This measure represents a good compromise of these competing interests, while preserving the tax credit for the future, when ethanol production facilities are in place to take advantage of the credit.

Your Committee has amended this measure by changing its effective date from July 1, 2020 to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1491, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 1 (Hooser). Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 950 Energy and Environment on H.B. No. 1627**

The purpose of this measure is to encourage development of cogeneration facilities by authorizing the issuance of up to \$40,000,000 in special purpose revenue bonds for Carbon Diversion Inc., or a partnership in which Carbon Diversion Inc. is a general partner, to establish cogeneration and related energy production facilities at various locations in the State.

Testimony in support of this measure was submitted by three private organizations. Comments were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Carbon Diversion Inc. has developed a full-scale hybrid gasification carbonization process at Campbell Industrial park in Kapolei, which can reduce various organic feedstock and tires (non-fossil fuels) into carbon products and synthetic gas. Carbon Diversion Inc. anticipates expanding into other sites, including to the Big Island, allowing it to process, among other things, a range of organic streams from biomass green-wastes, including the invasive species "gorse", which will help to clear thousands of acres of infested pasture lands in Humuula on Mauna Kea. Your Committee finds that Carbon Diversion Inc.'s proposed facilities will result in a decrease in dependency on fossil fuels, landfills, transportation, and disposal costs, and can indirectly provide lower priced electrical energy, among other environmental and economic benefits.

Your Committee has amended this measure by making nonsubstantive, technical amendments for the purpose of accuracy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1627, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 951 Energy and Environment on H.B. No. 1628**

The purpose of this measure is to authorize the issuance of up to \$100,000,000 in special purpose revenue bonds to assist BioEnergy Hawaii, LLC, or a partnership in which BioEnergy Hawaii, LLC, is a general partner, with the establishment of cogeneration and related energy production facilities.

Testimony in support of this measure was submitted by one state agency and one individual. Comments on the measure were submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that BioEnergy Hawaii, LLC, proposes to build a renewable, waste-to-energy facility at the Natural Energy Laboratory of Hawaii, in Kailua-Kona. The facility aims to, among other things, produce six to eight megawatts of electricity (enough to supply six to eight thousand typical Big Island homes per year) and recycle carbon dioxide from the gasification of the waste into energy by selling the carbon dioxide to farmers and by using it in the production of biofuels from algae. This proposed facility will make a significant positive impact on the environmental and economic well-being of the Big Island and our State.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 952 Energy and Environment on H.B. No. 1678**

The purpose of this measure is to protect Hawaii's environment and work towards decreasing its dependence on imported fossil fuels by authorizing the issuance of special purpose revenue bonds of up to \$80,000,000 to assist LifeGrid Solutions, LLC (LifeGrid), with the planning, design, and construction of a biofuel refinery and research facility on Oahu.

Testimony in support of this measure was submitted by one private organization. Comments on this measure were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that LifeGrid's proposed facilities will be a major asset in solving the unique environmental and sustainability issues currently challenging our State. For example, the locally owned and operated ethanol/biodiesel production facility will allow LifeGrid to meet the local demand for ethanol, all of which is currently imported. Additionally, the proposed facility can use a variety of feedstock available for biodiesel and ethanol production, including municipal solid waste and sludge generated by wastewater treatment plants, addressing solid waste and landfill concerns.

Your Committee has amended this measure by making technical, nonsubstantive changes for style and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1678, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1678, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 953 Energy and Environment on H.B. No. 1273**

The purpose of this measure is to allow the use of clotheslines on any privately owned single-family residential dwelling or townhouse.

Testimony in support of this measure was submitted by one private organization. Testimony in support of this measure, with suggested amendments, was submitted by two private organizations. Testimony in support of the intent of the measure was submitted by one private organization. Testimony in opposition to this measure was submitted by one private organization and one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow members of planned communities and townhouses to use clotheslines for drying clothes, while at the same time allowing the associations of planned communities and townhouses the ability to provide reasonable restrictions on such use. However, under this measure, as currently drafted, residents could be denied the ordinary use of clotheslines by limiting access to air or sunlight, such as requiring homeowners to hang clotheslines in carports, for example.

Your Committee has amended this measure by:

- (1) Adding language that prohibits association restrictions that deny access to air or sunlight reasonably necessary for the effective use of clotheslines, consistent with a similar Senate Bill, S.B. No. 1338, S.D. 1;
- (2) Adding language to address use of clotheslines in areas owned by or reserved for the exclusive use of a homeowner; and
- (3) Making nonsubstantive, stylistic changes for consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1273, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1273, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 954 Energy and Environment on H.B. No. 1270**

The purpose of this measure is to:

- (1) Remove the avoided cost limit on the rate for the purchase of electricity by a public utility and substitute a methodology that is just and reasonable;
- (2) Significantly reduce any linkages between volatile prices of fossil fuels and the rate for nonfossil fuel generated electricity; and
- (3) Potentially enable utility customers to share in the benefits of price stability and fuel cost savings resulting from the use of nonfossil fuel generated electricity.

Testimony in support of this measure was submitted by one state department and six private organizations. The Department of Business, Economic Development, and Tourism also submitted a statement of no objection to the measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this is an important measure to move renewable energy forward in our State by delinking the price of renewable energy from the price of energy produced from fossil fuels. Removing the limit on purchase power rates based on the utility's avoided cost provides the Public Utilities Commission with greater flexibility in determining just and reasonable purchased power rates.

Your Committee has amended this measure by making a technical, nonsubstantive change for consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1270, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 955 Commerce and Consumer Protection on H.B. No. 262**

The purpose of this measure is to change the name of the Insurance Fraud Investigations Unit to the Insurance Fraud Investigations Branch and to expand its authority to include jurisdiction over all lines of insurance except workers' compensation.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the American Council of Life Insurance, the National Association of Insurance and Financial Advisors, Hawaii Association of Health Plans, State Farm Insurance, and Hawaii Medical Service Association. Testimony with comments was received from the Department of the Attorney General and Hawaii Association for Justice. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under current law, the Insurance Fraud Investigations Unit is empowered to investigate and prosecute only motor vehicle insurance fraud. Your Committee finds that at the time the Insurance Fraud Investigations Unit was created, it was the intent to expand the Unit's jurisdiction to include all lines of insurance at a later date. Your Committee notes that the Insurance Commissioner has testified that the Fraud Investigations Unit is not currently seeking additional funding or staff to implement this measure. Your Committee further finds that insurance fraud is a serious problem that increases costs of insurance premiums for consumers and that this measure is an effective means of combating insurance fraud.

Your Committee has amended this measure by:

- (1) Adding a provision that revises the penal code to clarify that criminal fines and forfeitures for insurance fraud shall be deposited to the Compliance Resolution Fund;
- (2) Clarifying the mandatory reporting requirements for licensees to facilitate communication with the Insurance Fraud Investigations Branch;
- (3) Making it effective upon approval; and
- (4) Making nonsubstantive technical changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 262, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 262, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).



**SCRep. 956 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 590**

The purpose of this measure is to expedite the processing and approval or denial of any permit plan application for the siting, development, construction and operation of a renewable energy facility, by:

- (1) Requiring the permitting agency to provide the energy resources coordinator, within thirteen months after the permit application is complete, a report identifying diligent measures that are being taken by the agency to complete permit processing and requiring the agency to take action as soon as practicable; and
- (2) Giving the energy resources coordinator the authority, subject to certain time requirements, to deem a completed permit application approved if the permitting agency either (A) does not report any further processing or action after it submits its report to the energy resources coordinator, or (B) fails to provide the energy resources coordinator with its report and has not approved or denied the application.

Testimony in support of this measure was submitted by one state department. Testimony in support of the measure, with suggested amendments, was submitted by two private organizations. Testimony in opposition to the measure was submitted by one private organization. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that fostering predictability and certainty in the permitting process for renewable energy projects will reduce Hawaii's reliance on fossil fuels and will assist the State in meeting its 2030 renewable energy mandates for the health and welfare of the residents of Hawaii.

Your Committees have amended this measure by:

- (1) Requiring that the energy resources coordinator give notice that a permit plan application is subject to 201N-4, Hawaii Revised Statutes, before the agency reporting and deemed approved provisions of 201N-4(g), Hawaii Revised Statutes, apply;
- (2) Clarifying the calculation of the time period preceding the date on which the energy resources coordinator may deem the permit approved;
- (3) Changing its effective date from January 1, 2020 to July 1, 2009; and
- (4) Making a technical, nonsubstantive change for style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 590, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 590, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Espero, Ihara, Nishihara, Hemmings).

**SCRep. 957 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 589**

The purpose of this measure is to facilitate the financing and development of renewable energy projects by allowing leases and easements pertaining to renewable energy projects, together with mortgages and other conveyances as security for finance, to be created, enforceable, and recordable without requiring the landowner to obtain formal subdivision approval from the applicable county or other approving agency.

Testimony in support of this measure was submitted by one state department and two private organizations. Testimony in support of the measure, with suggested amendments, was submitted by Castle & Cooke Hawaii (Castle & Cooke). Testimony in opposition to the measure as drafted was submitted by the Department of Planning and Permitting of the City and County of Honolulu (DPP). Written testimony presented to your Committees may be reviewed on the Legislature's website.

Castle & Cooke submitted a proposed amendment to the measure, making suggested revisions to narrow the measure and to clarify certain aspects of the proposed exemption and its applicability. The DPP submitted testimony in support of Castle & Cooke's proposed amendment.

Your Committees find that this measure is intended to streamline the permitting process by helping to expedite the financing and development of renewable energy facilities by allowing leases and easements pertaining only to renewable energy facilities to be created for mortgages and other conveyances without requiring the landowner to obtain formal subdivision approval from the applicable county or other approving agency. However, your Committees find that the measure as received may potentially create confusion and complications for the community and governmental agencies due to unintended consequences.

Accordingly, your Committees have amended this measure by:

- (1) Indicating that the subdivision exemption applies only to leases and easements for renewable energy projects;
- (2) Clarifying that the subdivision and conveyance of land without compliance with subdivision laws is not authorized by this measure;
- (3) Limiting the scope of the exemption by indicating that there is no exemption from permits, approvals, restrictions, or requirements for the actual use, development, construction, or operation of the project;
- (4) Making the exemption only available where the principal use is for a renewable energy project;
- (5) Requiring that the term of the lease (where applicable) is for at least twenty years;

- (6) Terminating the exemption when the project is abandoned or terminated or when the applicable lease terminates or expires;
- (7) Changing the effective date from January 1, 2020, to upon approval; and
- (8) Making nonsubstantive, technical changes for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 589, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 589, H.D. 1, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Ayes with Reservations, 1 (Kokubun). Noes, none. Excused, 4 (Espero, Ihara, Nishihara, Hemmings).

**SCRep. 958 (Joint/Majority) Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs on H.B. No. 269**

The purpose of this measure is to require the Registrar of the Bureau of Conveyances to provide an image and index of all instruments that contain real property transactions to the administrator of the City and County of Honolulu's Real Property Assessment Division so that the Division may serve as a clearinghouse for real property information.

Your Committees received testimony in support of this measure from the County of Hawaii, the City and County of Honolulu, the County of Kauai, and the County of Maui. Testimony in opposition to this measure was received from the Department of Land and Natural Resources. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will help the counties to accurately assess real property taxes as well as to comply with their obligations to maintain accurate records and provide public notification of changes in land use and zoning. Your Committees note that the counties currently experience a good working relationship with the Department of Land and Natural Resources. This measure will allow the counties and the Department to continue those relationships as they currently stand, regardless of changes in administration or personnel.

Your Committees further note the opinion of the City and County of Honolulu that a legislative directive to a specific county is an erosion of the counties' home rule powers. Without taking a position on this issue, your Committees recognize the authority of the counties to exercise self-governance, to the extent authorized by the Legislature.

Your Committees have amended this measure by:

- (1) Clarifying that the counties may agree to delegate information-gathering and distribution responsibilities to a single county pursuant to a memorandum of understanding among the several counties;
- (2) Clarifying that the time limit imposed on the Department of Land and Natural Resources for mailing or forwarding the records may be waived in the event of extraordinary circumstances that create an unforeseen delay;
- (3) Specifying that the Department and the county acting as a clearinghouse for collection and distribution of the records are not obligated to provide information free of charge to private interests; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 269, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 269, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Hemmings). Excused, 4 (Green, Ihara, Sakamoto, Slom).

**SCRep. 959 (Joint/Majority) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 574**

The purpose of this measure is to:

- (1) Extend the repeal date of the Reverse Vending Machine Rebate Program from June 30, 2009 to June 30, 2014, and revise the deadline by which a reverse vending machine (RVM) must be installed and operational to receive the rebate from December 31, 2007 to June 30, 2012;
- (2) Revise from fifty per cent to an unspecified percentage the rebate provided for the actual cost of each RVM, and establishing a new rebate of an unspecified percentage of the operating cost of each RVM during the first two years of operation; and
- (3) Appropriating an unspecified amount for fiscal year 2009-2010 for grants-in-aid to the counties to plan and operate county recycling programs.

Testimony in support of the measure was submitted by two county departments and two private organizations. Testimony in support of the measure, with suggested amendments, was submitted by one private organization. Testimony in opposition to this measure was submitted by one state department. Comments were submitted by three private individuals. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the Deposit Beverage Container program has proven to be extremely successful, with a statewide diversion rate of beverage containers of seventy-two per cent for the fiscal year 2008. Nonetheless, beverage container redemption

rates could be improved by increasing the public's access to RVMs and redemption centers by extending and improving the RVM grant program.

Your Committees have heard concerns about the amounts appropriated for grants-in-aid to the counties and percentages for RVM rebates and believe that the dialogue on these matters should be continued by the Committee on Ways and Means, where fiscal matters are more appropriately addressed. Nonetheless, while your Committees have left unspecified the percentages for the rebates provided for the actual cost of each RVM and the rebate of the operating cost of each RVM in this measure, your Committees suggest that the rebate for the actual cost of each RVM be fifty per cent (the figure in the current version of section 342G-102.5, Hawaii Revised Statutes) and seventy-five per cent for the operating cost of each RVM during the first two years of operation (the figure proposed in H.B. No. 574, H.D. 1). Your Committees have also left unspecified the appropriation amounts for grants-in-aid to the counties, but would recommend the restoration of the appropriation of \$1,750,000 from the deposit beverage container deposit special fund as grants-in-aid to the counties of \$1,000,000 to the City and County of Honolulu and \$250,000 to each of the other three counties, as originally proposed in H.B. No. 574, H.D. 1.

Your Committees also find that another method of increasing the beverage container redemption rate is by requiring large retailers operate redemption centers, as proposed in S.B. No. 243, S.D. 1. Your Committees find that retail dealers in other states with similar redemption programs are also required to be redemption centers.

Your Committees have amended this measure by:

- (1) Adding a new part to this measure that amends section 342G-113, Hawaii Revised Statutes, to require retail dealers with more than seventy-five thousand square feet of retail space to operate redemption centers, as contained in section 2 of S.B. No. 243, S.D. 1;
- (2) Changing the effective date of the measure to July 1, 2009, except for the provisions of the measure containing the retail dealer redemption center requirements, which shall be effective as of October 1, 2009;
- (3) Including an expenditure clause in the measure, allowing the counties to expend sums appropriated for the grants-in-aid; and
- (4) Making a nonsubstantive, technical change for formatting.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 574, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 574, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, 1 (Slom). Excused, 5 (Espero, Green, Ihara, Nishihara, Hemmings).

**SCRep. 960 Commerce and Consumer Protection on H.B. No. 1059**

The purpose of this measure is to protect Hawaii's underground infrastructure by repealing the sunset date on the One Call Center pilot program.

Your Committee received testimony in support of this measure from the Public Utilities Commission, the One Call Advisory Committee, Hawaiian Telcom, The Gas Company, Building Industry Association Hawaii, Hawaii Pest Control Association, and General Contractors Association of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the One Call Center and its mandatory Call Before You Dig program is effective at regulating excavation activity, minimizing disruption of service to operator customers, and protecting the safety of excavators. Your Committee also finds that the One Call Center was always intended to be an on-going program persisting beyond the sunset date of the original legislation. Your Committee further finds that in other states where pest control procedures are performed similarly to those performed in Hawaii, shallow trenches or holes necessary for those procedures have proven to be nondisruptive of underground infrastructure and have merited exemption from excavation limitations.

Your Committee has amended this measure by

- (1) Adding a three-year sunset provision to the exemption for pest control operators in order for the Public Utilities Commission to determine whether this exemption should be made permanent; and
- (2) Making nonsubstantive technical amendments for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1059, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1059, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 961 Health on H.B. No. 896**

The purpose of this measure is to continue the requirement that businesses engaged in the sale of cigarettes and other tobacco products at the retail level acquire a retail tobacco permit from the Department of Taxation by removing the sunset provision in Act 131, Session Laws of Hawaii 2005.

Your Committee received testimony in support of this measure from the Department of Taxation, the Attorney General, the Hawaii Food Industry Association, the American Cancer Society, the Coalition for a Tobacco-Free Hawaii, the American Lung Association, and the American Heart Association

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will continue the Retail Tobacco Permit Program that facilitates the collection of cigarette taxes by making it clear that no retailer or cigarette vending machine operator shall purchase any pack of cigarettes without the appropriate tax stamp affixed to the bottom of each pack of cigarettes. For fiscal year 2007-2008, the Department of Taxation reported cigarette tax revenue of \$101,560,051.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 896, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 962 Health on H.B. No. 1537**

The purpose of this measure is to encourage the education and use of automated external defibrillators by exempting persons or employers who provide automated external defibrillator training programs from vicarious liability for civil damages.

Your Committee received testimony in support of this measure from the Department of Health, the Automated External Defibrillators Institute, and the American Heart Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will increase the implementation of automated external defibrillators and lead to greater survival rates from cardiac arrest in Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1537, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 963 Economic Development and Technology on H.B. No. 615**

The purpose of this measure is to prevent individuals from being harassed by those using innovative forms of technology by extending the offense of harassment to include any form of digital communication.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence and Law Offices of Marvin S.C. Dang, LLC. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that harassing or insulting electronic communications are a form of harassment that can be just as severe or punishing as other verbal communications or offensive contacts. Your Committee also finds that including nonconsensual or harassing electronic communications, including email communications, in the criminal offense of harassment by stalking will provide a means for those victims that are targeted to seek justice.

Your Committee has amended this measure by adding an amendment to section 711-1106.5(3), Hawaii Revised Statutes, to include the ability to make a nonconsensual contact through any form of electronic communication in the offense of harassment by stalking.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 615, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 615, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 964 Health on H.B. No. 808**

The purpose of this measure is to:

- (1) Clarify that telemedicine is within a physician's scope of practice and is authorized in Hawaii when practiced by a licensed physician providing services to patients; and
- (2) Clarify existing laws regarding telehealth to ensure compliance with changes to the law regulating the practice of medicine.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, The Hawaii Chamber of Commerce, and the Hawaii Medical Services Association. Your Committee received testimony with in support of this measure with amendments from the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs and the Hawaii Medical Board.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will enhance the Legislature's efforts to expand broadband capability as well as provide a cost-effective means to improve access to health care services, particularly in rural areas of the State.

Your Committee further finds that, in order to promote consistency in related statutes and more effective enforcement, the definition of telemedicine should specify what does not constitute telecommunication services.

Accordingly, your Committee has amended this measure by amending the definition of "telemedicine" to clarify that:

- (1) Telemedicine may be used to establish a physician-patient relationship, to evaluate a patient, or to treat a patient, and "telehealth" as used in chapters 431, 432, and 432D, Hawaii Revised Statutes, includes "telemedicine"; and
- (2) Standard telephone contacts, facsimile transmissions, or email text, in combination or by itself, do not constitute a telemedicine service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 808, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 965 Health on H.B. No. 811**

The purpose of this measure is to ease Hawaii's registered nurse licensure requirements for graduates of foreign nursing schools by requiring the Board of Nursing to adopt rules that require applicants who are foreign graduates applying for licensure in Hawaii to arrange for the applicant's school to send to the Board of Nursing:

- (1) The "Breakdown of Educational Program for International Nursing Programs" form; and
- (2) A certified school transcript for the applicant, translated to English, if necessary.

In addition, this measure removes the requirement that a foreign graduate's transcripts be evaluated by professional evaluators designated by the Board of Nursing.

Your Committee received testimony in support of this measure from Nursing Advocates & Mentors, Inc., The Philippine Nurses Association Hawaii, the United Filipino Council of Hawaii, the Filipino American Citizens League, the Filipino Coalition for Solidarity, The National Federation of Filipino American Associations Region XII, the Oahu Filipino Community Council, and two individuals. Your Committee received testimony in opposition to this measure from the Board of Nursing and five individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State's requirement for uniform evaluation by the recognized authority on credential evaluations, the Commission on Graduates of Foreign Nursing Schools, is connected to federal immigration laws that require all international health professionals, except physicians, to be certified by the Commission on Graduates of Foreign Nursing Schools or another independent, government-certified organization qualified to issue credentials. Though your Committee is open to making the application process for foreign educated nurses less cumbersome, it believes that sufficient safeguards are necessary to ensure that foreign nursing school graduates are educationally qualified to apply for a registered nurse license in Hawaii.

Your Committee has amended this measure by:

- (1) Removing the provision requiring the Board of Nursing to adopt rules requiring the applicant to arrange for the applicant's school to send the Board of Nursing a completed "Breakdown of Educational Programs for International Nursing Programs" form along with certified school transcripts;
- (2) Clarifying the requirements for foreign nursing school graduates applying for a license to practice as a registered nurse by examination to apply for licensure through a credentials evaluation service or a certification program;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 811, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 811, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 966 Health on H.B. No. 814**

The purpose of this measure is to clarify the requirements for recertification of nurse aides by:

- (1) Requiring recertification not less than every two years; and
- (2) Limiting continuing education hours to twenty-four hours per year, except as specified by federal law.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Hawaii Coalition of Caregivers, The Primary Care Providers, Nursing Advocates and Mentors, Inc., United Filipino Council of Hawaii, Oahu Filipino Community Council, the National Federation of Filipino American Associations, the Filipino Coalition for Solidarity, the Filipino American Citizens League, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will further support the integrity and quality of certified nurse aides programs in the State. Specifying continuing education requirements will ensure that licensees are proficient and have the opportunity to improve and update their skills throughout their careers.

Your Committee has amended this measure by changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 814, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 967 (Joint) Health and Higher Education on H.B. No. 343**

The purpose of this measure is to increase access to primary health care services provided by family physicians or residents in the Family Medicine Residency Program at the University of Hawaii John A. Burns school of medicine to medically underserved residents in rural areas of the State by appropriating funds to:

- (1) Support and expand the Family Medicine Residency Program to provide rural primary health care services; and
- (2) Develop a permanent statewide rural primary health care training program in each county, beginning in the county of Hawaii, to expand the rural health care training available for individuals in the Family Medicine Residency Program.

Your Committees received testimony in support of this measure from the County of Hawaii, Hawaii Medical Service Association, Hawaii Primary Care Association, Hawaii Medical Association, University of Hawaii at Manoa, AARP, and the Hawaii Association for Justice.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will address the increasing shortages of physicians in rural areas of Hawaii. These training programs will provide rural communities with greater access to physicians and quality health care services.

Your Committees further find that in order to effectively support these training programs, appropriations in the amount of \$1,500,000 in fiscal year 2010 and \$2,500,000 in fiscal year 2011 would be needed.

Your Committees have amended this measure by changing the effective date to July 1, 2050.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 343, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 343, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Kokubun, Hemmings, Slom).

**SCRep. 968 (Joint) Health and Higher Education on H.B. No. 991**

The purpose of this measure is to ensure adequate access to medical care in rural, medically underserved areas of the State by establishing and appropriating funds for the Hawaii Medical Doctor Loan Program to provide financial assistance for:

- (1) Students who complete a state-approved medical school program at the University of Hawaii and agree to practice in rural areas of the State; or
- (2) Graduates of a medical school who have received medical training from a Hawaii-based medical program and agree to practice in rural areas of the State.

Your Committees received testimony in support of this measure from the Hawaii Medical Service Association, the Hawaii Primary Care Association, the Hawaii Medical Association, AARP, and the Hawaii Association for Justice. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Hawaii Medical Doctor Loan Program is a loan repayment program that will be an essential tool for recruiting and retaining health care professionals in medically underserved and rural areas of the State.

Your Committees have amended this measure by:

- (1) Reconciling the six year loan term with a minimum commitment of six consecutive years to practice medicine in a rural area of the State, as opposed to a ten year commitment; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 991, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 991, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Kokubun, Hemmings, Slom).

**SCRep. 969 (Joint) Health and Public Safety and Military Affairs on H.B. No. 317**

The purpose of this measure is to appropriate funds to provide the people of the southern portion of the island of Hawaii with increased access to suitable emergency and clinical medical care.

Specifically, this measure provides funding from the federal Homeland Security Grant Program to purchase a mobile medical van based at Kona Community Hospital to provide medical care services in South Kona, Ka'u, and upper Puna.

Your Committees received testimony in support of this measure from the Hawaii Medical Service Association and the Hawaii Government Employees Association. Testimony in opposition to this measure was submitted by the Department of Health and the Department of Land and Natural Resources.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that significant barriers exist in accessing medical services in rural areas of the State, particularly the southern area of Hawaii County. However, your Committees find that the Department of Land and Natural Resources is not the appropriate state department suited for the purchase of mobile medical vans and medical care services.

Accordingly, your Committees have amended this measure by:

- (1) Replacing the Department of Land and Natural Resources with the Department of Health as the expending agency for the appropriation; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this matter.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 317, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 317, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Ayes with Reservations, 1 (Green). Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 970 (Majority) Labor on H.B. No. 1676**

The purpose of this measure is to require that for projects financed by special purposes revenue bonds, when a project party that has entered into a collective bargaining agreement with a labor union for the project party's workforce submits that collective bargaining agreement to the Director of Labor and Industrial Relations, the terms of that collective bargaining agreement shall determine the prevailing wages and terms for work on the project performed by the project party's workforce.

Testimony in support of this measure was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides important clarifications to the means of determining compliance with Hawaii's prevailing wage law for certain projects.

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

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1676, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1676, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 971 Labor on H.B. No. 1479**

The purpose of this measure is to require contractors and subcontractors to submit to the Department of Labor and Industrial Relations a fringe benefit reporting form, which shall be included in payroll records and itemize fringe benefit rates paid to laborers who perform work for the construction of public works projects.

Testimony in support of this measure was submitted by four organizations. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current practice of reporting only total fringe benefits on prevailing wage compliance forms is inadequate, and that workers should have access to their itemized fringe benefit information through payroll records.

Your Committee finds that the companion to this measure, S.B. No. 1181, S.D. 2, was heard and approved by your Committee and more clearly supports the intent of the measure. Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 1181, S.D. 2, and correcting a typographical error.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1479, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1479, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 972 Labor on H.B. No. 442**

The purpose of this measure is to authorize the Labor and Industrial Relations Appeals Board to use a hearings officer to expedite hearings on certain workers' compensation matters.

Testimony in support of this measure was submitted by two state agencies and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the hearings officer afforded by this measure would enable expedited resolution of time-sensitive matters on appeal from decisions of the Director of Labor and Industrial Relations and allow the use of current staff and resources more effectively.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 442, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 973 Labor on H.B. No. 319**

The purpose of this measure is to require employers to post notices informing employees of their rights under the family leave law and of the potential adverse impacts of taking family leave on other employee rights, entitlements, or benefits.

Testimony in support of this measure was submitted by one state agency and one organization. Testimony in opposition to this measure was submitted by one state agency and one organization. Comments were submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure imposes a requirement that will significantly improve employees' awareness of their rights under the family leave law.

Your Committee acknowledges the comment that requiring employers to provide information on the potential adverse effects of taking family leave is unnecessary. Accordingly, your Committee has amended this measure by replacing its contents with the contents of S.B. No. 832, S.D. 1, which requires that employers post notices merely informing employees of their rights under the family leave law and more clearly supports the intent of the measure.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 319, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 319, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 974 Education and Housing on S.C.R. No. 39**

The purpose of this measure is to urge the Governor to include Kukui Gardens in the State's list of shovel-ready projects submitted for inclusion in the President's proposed economic stimulus plan.

Testimony in support of this measure was submitted by nine individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Kukui Gardens Resident's Association has waged an intense three-year campaign to preserve the eight hundred fifty-seven affordable rental housing units in Kukui Gardens as affordable rental units, which would save an estimated 2,500 people from potential homelessness. Your Committee understands that while an agreement to do so was reached in December 2007, the economic problems of late 2008 threaten that agreement. Funds have been included in the federal economic stimulus legislation to help save projects like Kukui Gardens, but projects must be included on the State's priority list in order to qualify for receiving the funds.

Your Committee is in strong support of this measure and has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, 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. 39, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 975 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 66**

The purpose of this measure is to request that the United States Postal Service issue a commemorative stamp honoring Prince Jonah Kuhio Kalaniana'ole.

Testimony in support of this measure was submitted by one organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Prince Jonah Kuhio Kalaniana'ole, as the last designated heir to the Hawaiian throne, was a great representative and supporter of the native Hawaiian people. Prince Kuhio was imprisoned for attempting to return Queen Liliuokalani to the throne, later elected to represent Hawaii to the United States Congress, and instrumental in securing the Kalaupapa Leper Settlement as a territorial institution, establishing county governments, developing Pearl Harbor, and advocating for the passage of the



Hawaiian Rehabilitation Act and the Hawaiian Homes Commission Act. Prince Kuhio re-organized the Royal Order of Kamehameha I and organized the Hawaiian Civic Club. Prince Kuhio's accomplishments on behalf of the people of Hawaii are many and, your Committee believes his legacy should be recognized nationally by the issuance of a commemorative stamp.

Your Committee has amended this measure by:

- (1) Clarifying that Prince Kuhio re-organized the Royal Order of Kamehameha I, which was established and organized by Kamehameha V in 1865; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 66, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 66, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 976 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 40**

The purpose of this measure is to request that the United States Postal Service issue a commemorative stamp honoring Prince Jonah Kuhio Kalaniana'ole.

Testimony in support of this measure was submitted by one organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Prince Jonah Kuhio Kalaniana'ole, as the last designated heir to the Hawaiian throne, was a great representative and supporter of the native Hawaiian people. Prince Kuhio was imprisoned for attempting to return Queen Liliuokalani to the throne, later elected to represent Hawaii to the United States Congress, and instrumental in securing the Kalaupapa Leper Settlement as a territorial institution, establishing county governments, developing Pearl Harbor, and advocating for the passage of the Hawaiian Rehabilitation Act and the Hawaiian Homes Commission Act. Prince Kuhio re-organized the Royal Order of Kamehameha I and organized the Hawaiian Civic Club. Prince Kuhio's accomplishments on behalf of the people of Hawaii are many and, your Committee believes his legacy should be recognized nationally by the issuance of a commemorative stamp.

Your Committee has amended this measure by:

- (1) Clarifying that Prince Kuhio re-organized the Royal Order of Kamehameha I, which was established and organized by Kamehameha V in 1865; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 40, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 40, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 977 Commerce and Consumer Protection on H.B. No. 1404**

The purpose of this measure is to repeal the sunset date on the general excise tax exemption on monies paid by timeshare operators and condominium managers for employee wages, salaries, payroll taxes, insurance premiums, and employee benefits.

Your Committee received testimony in support of this measure from American Resort Development Association, Marriot Vacation Club International, Starwood Vacation Ownership, Wyndham Worldwide, and Outrigger Hotels. Testimony with comments was received from the Department of Taxation and Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will result in no additional loss of revenue to the State, since it merely continues a tax exemption that is already in place. Your Committee also finds that this exemption levels the playing field with regard to tax treatment for similarly situated entities: operators of hotels, timeshares, and condotels. Therefore, this exemption for operators of timeshares and condotels should be made permanent.

Your Committee has amended this measure by deferring its effective date to July 1, 2050 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1404, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1404, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 978 (Joint) Commerce and Consumer Protection and Public Safety and Military Affairs on H.B. No. 686**

The purpose of this measure is to create a special revolving fund to receive deposits of cigarette certification fees and to delay the implementation of the reduced ignition propensity cigarette law until September 30, 2010.

Testimony in support of this measure was received from the State Fire Council and Honolulu Fire Department, the County of Hawaii Fire Department, County of Maui Department of Fire and Public Safety, and Coalition for a Tobacco-Free Hawaii. Testimony

with comments on this measure was received from the Department of Budget and Finance. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will allow the State Fire Council to enforce the reduced ignition propensity cigarette law by enabling it to hire staff and contractors to establish administrative rules, process certifications, and post program information on the State Fire Council's website. Your Committees find that the funding allocated to the State Fire Council in this measure is sufficient to sustain the enforcement program developed by the State Fire Council.

Your Committees have amended this measure by deferring its effective date to July 1, 2050 to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 686, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 686, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, English, Gabbard, Ihara, Sakamoto).

**SCRep. 979 Human Services on H.B. No. 333**

The purpose of this measure is to:

- (1) Allow certain Hawaii residents to claim a refundable earned income tax credit equal to a certain percentage of the federal earned income tax credit;
- (2) Limit the interest charged on any tax preparation service provided for clients who are recipients of the state earned income tax credit; and
- (3) Appropriate monies from the Temporary Assistance for Needy Families fund and the general fund to finance the earned income tax credit and public service announcements to educate taxpayers about the tax credit.

Testimony in support of this measure was provided by the Hawaii Alliance for Community-Based Economic Development and one individual. Testimony in opposition to this measure was provided by the Department of Taxation, H & R Block, and Tax Foundation of Hawaii. The Department of Human Services provided comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an earned income tax credit offers needed relief to Hawaii's low and middle income families and keeps money circulating within the local economy.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 333, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 980 (Joint) Human Services and Health on H.B. No. 989**

The purpose of this measure is to extend the Hawaii Children's Health Care Program until 2012 and require that participants receive primary health care services at Federally Qualified Health Centers.

Testimony in support of this measure was submitted by Good Beginnings Alliance, Hawaii Primary Care Association, and Hawaii Medical Service Association. Testimony in opposition to this measure was submitted by the Hawaii Medical Association. The Department of Human Services submitted comments and suggested amendments. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the number of uninsured children in the State varies, however, it is generally acknowledged that there is a gap group that is ineligible for any state or federal health care coverage. The majority of children in this gap group are those whose family income is at or just over three hundred per cent of the federal poverty level. Others in this group may include infants born to uninsured mothers, immigrants with temporary visas, and undocumented immigrants who have been in Hawaii for less than six months. In Hawaii, the total number of those who fall into the gap group could be as high as 3,500 children. The Hawaii Children's Health Care Program insures children and youth in this gap group so they can participate in school and other activities, and alleviates the stress on parents who experience hardship when an uninsured child is sick.

Your Committees note that this measure limits the participants in the Hawaii Children's Health Care Program to using Federally Qualified Health Centers, which may not be available to children in certain geographic locations. Federally Qualified Health Centers report increased strain on the health care safety-net, and limiting participants' choice of providers may disrupt the continuity of care the children receive.

Your Committees have amended this measure by deleting the requirement that participants receive primary health care services at Federally Qualified Health Centers.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 989, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 989, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Espero, Hemmings).

**SCRep. 981 Human Services on H.B. No. 1098**

The purpose of this measure is to:

- (1) Apply assistance allowance calculations based on standard of need to General Assistance payments for households without minor dependents;
- (2) Place a twenty-four-month limit on General Assistance to persons between eighteen and sixty-five years of age with a disability;
- (3) Provide that any month in which a person receives assistance pending an eligibility determination for the federal Supplemental Security Income Program or successor program shall not be counted toward the twenty-four-month limit;
- (4) Require the Department of Human Services to refer General Assistance recipients to the Aid to the Aged, Blind, and Disabled program after twelve months or upon the recipient turning sixty-five years old; and
- (5) Convert the funding mechanism for General Assistance from a block grant to an entitlement.

Testimony in support of this measure was provided by the National Association of Social Workers - Hawaii Chapter, Waianae Community Outreach, and four individuals. Testimony in opposition to this measure was provided by the American Civil Liberties Union of Hawaii. The Department of Human Services and Legal Aid Society of Hawaii provided comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the caseload for the General Assistance program has been growing due to an increase in the number of individuals receiving assistance, those currently in the program receiving assistance for longer periods of time, and an increase in monthly assistance payments. Your Committee further finds that the increased financial burden on the General Assistance program and the current funding of General Assistance as a block grant have led to borrowing from Aid to the Aged, Blind, and Disabled program monies to fund General Assistance payments and reduced monthly General Assistance payments from \$469 to \$235.

Your Committee finds that the General Assistance program is a critical safety net that should provide dependable financial assistance to certain disabled persons who lack other means of financial support. Your Committee believes that converting the General Assistance program to an entitlement program would ensure a steady stream of support to those who need temporary assistance.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1098, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1098, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 982 (Joint) Human Services and Commerce and Consumer Protection on H.B. No. 876**

The purpose of this measure is to assist condominium associations by increasing the amount of unpaid common assessments that an association may collect against the subsequent owner of a foreclosed property and allowing an association to offer assistance to a disabled tenant who is having difficulty living independently.

Testimony in support of this measure was submitted by the Hawaii Council of Associations of Apartment Owners, Hawaii Bankers Association, and Hawaii Independent Condominium and Cooperative Owners. Comments on this measure were provided by Hawaii Financial Services Association and the Community Associations Institute, Hawaii Chapter. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that mortgage foreclosures impact condominium associations when the owner of a foreclosed property fails to pay association maintenance fees. The association continues to be responsible for maintaining the common areas and providing the common benefits such as water, electricity, and maintenance staff of the property, regardless of whether the association receives all of the fees due. Your Committees find that the maximum amount that an association can assess under the current law is insufficient to cover the actual maintenance costs incurred.

Your Committees further find that associations and their members should be supported in their good faith efforts to assist fellow residents who have difficulty living independently. The current law protects associations from liability for good faith efforts to assist elderly residents who may be in need of assessment or social services in order to maintain independent living and avoid harm to self or others. This measure allows associations to also offer assistance to disabled residents.

Your Committees have amended this measure by:

- (1) Replacing the blank dollar amount in Part I with \$3,600;
- (2) Incorporating amendments from the companion to this measure, S.B. No. 572 S.D. 2, which was heard and approved by your Committees;
- (3) Including non-profit and for-profit mental health service entities as possible providers of functional assessments; and
- (4) Making technical, nonsubstantive changes for the purposes of style.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 876, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 876, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 983 Human Services on H.B. No. 1101**

The purpose of this measure is to ensure that investigators appointed by the Director of Human Services under section 346-4.5, Hawaii Revised Statutes, to investigate incidents at the Hawaii Youth Correctional Facilities have access to the information and records needed to conduct such investigations.

Testimony in support of this measure was provided by the State Attorney General and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State is required through a Memorandum of Agreement with the United States Department of Justice to investigate certain incidents involving youth and violence or abuse. Your Committee further finds that some investigations require access to the records of providers of services to youth at the Hawaii Youth Correctional Facilities, which access is currently prohibited or hindered by certain state confidentiality laws. Your Committee therefore finds that this measure is necessary to authorize investigators appointed by the Director of Human Services to obtain necessary information for investigations in satisfaction of the Memorandum of Agreement requirements.

Your Committee has amended this measure as follows:

- (1) By amending the effective date from January 1, 2050, to July 1, 2009; and
- (2) By making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1101, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 984 Commerce and Consumer Protection on H.B. No. 1032**

The purpose of this measure is to help deter the fraudulent use of notary seals or stamps by requiring that a notary public's commission number be included on the notary public's official seal or stamp.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that including a notary public's commission number on the notary public's official seal or stamp will help prevent fraud by making it easier to identify the individual who purportedly notarized particular documents and to track the activity of notaries public over time. Your Committee further finds that the cost to individual notaries public of replacing official stamps and seals is minimal.

Your Committee has amended this measure by making one technical, nonsubstantive change to reflect existing statutory language accurately.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1032, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1032, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 985 (Joint/Majority) Commerce and Consumer Protection and Labor on H.B. No. 643**

The purpose of this measure is to allow the Contractors Licensing Board to revoke, suspend, or refuse to renew the license of a contractor who knowingly employs individuals who are ineligible for employment in the United States on public works contracts.

Your Committees received testimony in support of this measure from Pacific Resource Partnership, Hawaii Carpenters Union, Laborers International Union of North America Local 368, and Hawaii Building and Construction and Trades Council, AFL-CIO. Testimony in opposition to this measure was received from the Hawaii Civil Rights Commission and one private citizen. Testimony with comments on this measure was received from the Contractors Licensing Board and the Building Industry Association Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that while federal law regulates eligibility criteria for foreign workers in the United States, the states retain a role in regulating state contracting and labor issues. Your Committees further find that the concerns expressed in the testimony of the Hawaii Civil Rights Commission regarding the application of federal standards and the potential for increased unlawful discrimination complaints have merit and, therefore, respectfully request that the Committee on Judiciary and Government Operations consider these issues, which lie properly within that Committee's jurisdiction.

Your Committees have amended this measure by making technical, nonsubstantive changes to the language of this measure for the purposes of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 643, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 643, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 986 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 640**

The purpose of this measure is to amend chapter 343, Hawaii Revised Statutes (chapter 343), to clarify that any primary action that requires a permit or approval not subject to the discretionary consent of the approving agency and that involves a secondary action within an existing public right-of-way or highway is exempt from chapter 343.

Testimony in support of this measure was submitted by one county department and six private organizations. Testimony in support of the measure, with suggested amendments, was submitted by one state department and four private organizations. Testimony supporting the intent of the measure was submitted by one state department and one private organization. Testimony in opposition to the measure was submitted by three individuals. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees understand that recent court rulings and agency interpretations have suggested that private applications that use or "touch" state or county roadways or rights-of-way, such as easements, drainage facilities, connections to waterlines and sewer lines, private driveways and access improvements, and utility rights of way for overhead or underground connections, would require preparation of an environmental assessment document due to the "use of state or county lands", pursuant to section 343-5(a)(1), Hawaii Revised Statutes. As a result, private applicant proposals for minor work within the state or county right-of-way now triggers the preparation of an environmental assessment by the applicant. Your Committees find that the unintended results of these court decisions and agency interpretations have caused the Department of Transportation (DOT) and the Office of Environmental Quality Control (OEQC) to be deluged with hundreds of minor work project reviews, significantly increasing the time required for the DOT to review and process applications affecting the state highway right-of-way. This interpretation has also created unnecessary expense and delay for private applicants.

Your Committees also find that requiring an environmental assessment for minor work within the state or county right-of-way was not the intention of the Legislature when enacting chapter 343 and that this measure is necessary to clarify that certain secondary actions involving the installation, improvement, renovation, construction, and development of infrastructure within a public right-of-way or highway shall not be deemed to be the "use of state or county lands" for purposes of chapter 343.

Your Committees also acknowledge that the Legislative Reference Bureau (LRB) has contracted with the University of Hawaii to conduct a study of the State's environmental review process. The research for this study is currently being conducted, and the results of this study are to be presented to the Legislature before the next legislative session. Notwithstanding that this measure may be a temporary fix, obviated by the LRB's comprehensive study, your Committees find that this matter must be clarified now and cannot wait until the LRB's study is completed and its recommendations implemented through the legislative process.

Your Committees have amended this measure by:

- (1) Adding definitions for "primary action" and "secondary action", which were the result of a collaboration among the OEQC and other stakeholders;
- (2) Changing the effective date from July 1, 2050, to July 1, 2009; and
- (3) Making a technical, nonsubstantive change for clarity.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 640, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 640, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair and Majority Leader on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 5 (Espero, Green, Ihara, Nishihara, Hemmings).

**SCRep. 987 Education and Housing on H.B. No. 179**

The purpose of this measure is to amend two sections of the Hawaii Revised Statutes to reflect the transfer of responsibility for school facilities repair and maintenance from the Department of Accounting and General Services to the Department of Education, pursuant to Act 51, Session Laws of Hawaii 2004.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the responsibility for construction and the repair and maintenance of facilities was transferred from the Department of Accounting and General Services to the Department of Education, effective July 1, 2005, pursuant to the requirements of Act 51, Session Laws of Hawaii 2004, and that the two sections in this measure were missed in the transfer.

Your Committee has heard from the Department of Education that, upon further consideration, both sections are unnecessary and should be repealed rather than amended. Repeal will not affect the Department of Education's current practices or prevent the

Department from charging schools for electricity and maintenance of school-installed air conditioning, or requiring schools to maintain donated equipment and fixtures.

Your Committee has amended this measure accordingly, by:

- (1) Repealing subsections 302A-1501(b) and 302A-1503(b), Hawaii Revised Statutes; and
- (2) Making technical amendments to reflect these changes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 179, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

**SCRep. 988 Education and Housing on H.B. No. 1043**

The purpose of this measure is to address state low-income housing tax credits by:

- (1) Reducing the period over which credits may be claimed from ten years to five years; and
- (2) Addressing the election of a federal grant in lieu of a portion of the state tax credit allocation for 2009, as authorized by the American Recovery and Reinvestment Act of 2009.

Testimony in support of this measure was submitted by two state agencies and five private organizations. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that section 235-110.8, Hawaii Revised Statutes, allows an eligible taxpayer to claim fifty per cent of the federal low income housing credit over a period of ten years. This measure would reduce that period to five years, making the credit far more attractive to investors.

With regard to Part II of this measure, the American Recovery and Reinvestment Act of 2009 (the "Federal Stimulus Bill") allows states to elect to receive grants instead of tax credits to finance low-income housing for 2009. Your Committee understands that the Department of Taxation is currently reviewing how the Federal Stimulus Bill might affect this measure and whether additional amendments may be necessary.

In addition, your Committee has considered an amendment requested by the Department of Taxation to clarify that taxpayers may claim the Hawaii low-income housing tax credit in an amount equal to the federal low-income housing tax credit that may be claimed for the first five years of the ten-year federal credit period (not to be confused with the adjusted five year credit period defined in section 235-110.8(f), Hawaii Revised Statutes, as amended by this measure). Your Committee notes that the Department is concerned that without this clarification, taxpayers may mistakenly believe that the federal low-income housing tax credit is first recomputed over a five-year credit period, and then the provisions of section 235-110.8(b), Hawaii Revised Statutes, are applied, which would effectively result in doubling the cost of the credit to Hawaii.

Your Committee is strongly supportive of efforts to increase the development of low-income housing in Hawaii and believes this measure offers a practical means of doing so.

Your Committee has amended this measure by:

- (1) Further clarifying how the low-income housing tax credit is computed;
- (2) Amending the effective date to July 1, 2030, for the purposes of continued discussion; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

Your Committee regards this measure as a work in progress, and requests that the Department of Taxation keep both this Committee and the Committee on Ways and Means informed of any additional changes that may be needed, particularly those that may be necessary to meet federal requirements.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1043, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

**SCRep. 989 (Majority) Economic Development and Technology on H.B. No. 1503**

The purpose of this measure is to allow the goals of job creation, labor rights, and environmental protection to be supported by the State's business laws through the establishment of a special class of limited liability companies called "public purpose companies" that would use patent rights to:

- (1) Create and retain desirable jobs within Hawaii and the United States;
- (2) Strengthen labor rights nationally and internationally; and
- (3) Enhance environmental protection nationally and internationally.

Testimony in support of this measure was submitted by one concerned individual. Testimony in opposition of this measure was submitted by the Department of Commerce and Consumer Affairs and Char Sakamoto Ishii Lum & Ching. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the creation of a public purpose company under the protections afforded to limited liability companies in the State of Hawaii will provide a mechanism for individuals and entities to provide benefits to the public and society at large through various activities desired by prospective public purpose companies. Your Committee also finds that the creation of a public purpose company entity in the State of Hawaii will provide a springboard to other jurisdictions to adopt a similar legal entity to support specific public purpose endeavors.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussions; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1503, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1503, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 990 (Joint) Health and Human Services on H.B. No. 1642**

The purpose of this measure is to help ensure the delivery of quality health and human services by requiring that all proposals for health and human services purchases be submitted by duly licensed providers of the proposed service and be for the exact amount to be expended by the State.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, Aloha Care, Community Clinic of Maui, Waikiki Health Center, and the Faith Action for Community Equity. Testimony in opposition to this measure was submitted by the Department of Human Services, the Procurement Office, the Office of Youth Services of the Department of Human Services, Family Support Services of West Hawaii, Waianae Community Outreach, Paia Youth & Cultural Center, and the Paia Youth Council, Inc.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is not intended to create new licensure requirements in the request for proposal procedures. The Legislature's intent is to ensure that those businesses that are submitting bids for contracts on services that are required by statute to be licensed, are licensed at the time of bidding.

Your Committees have amended this measure by:

- (1) Inserting a purpose section to clarify the Legislature's intent of the measure;
- (2) Inserting language that clarifies that bidder licensing requirements are applicable only if the applicant is required by statute to be licensed in order to conduct the business that is being bid on;
- (3) Changing the effective date to July 1, 2009; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1642, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1642, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 991 Transportation, International and Intergovernmental Affairs on H.B. No. 981**

The purpose of this measure is to amend Act 171, Session Laws of Hawaii (SLH) 2008, relating to the implementation of use of an ignition interlock device, to reflect recommendations of the Hawaii Ignition Interlock Implementation Task Force, and to extend the life of the Task Force to January 1, 2011.

Your Committee received testimony in support of this measure from the Department of Health; the Department of Transportation; the Department of the Prosecuting Attorney; the Hawaii Ignition Interlock Implementation Task Force; and Mothers Against Drunk Driving HAWAII. Testimony in opposition was received from Hawaii Insurers Council. Comments were received from the Judiciary, the Public Defender, and The Century Council. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Ignition Interlock Implementation Task Force was created by Act 171, SLH 2008, to make recommendations to the Legislature to implement Act 171. The Task Force was broadly representative of the Legislature, the Judiciary, relevant executive departments of the State and counties, and concerned citizen groups. Recognizing the need to resolve a number of outstanding issues in the transition to use ignition interlock devices, the Legislature delayed the effective date of Act 171 to July 1, 2010.

Your Committee finds that the use of an ignition interlock device prevents drivers previously arrested for driving under the influence of intoxicants from starting or operating a motor vehicle with more than a minimal alcohol concentration while their case is pending or while their license is revoked.

Your Committee notes that numerous steps have been taken by the Legislature over the past twenty-five years to address the toll exacted from our community by those who operate motor vehicles under the influence of alcohol or drugs, or both. These include providing increased criminal penalties, from larger fines and longer license suspensions and prison terms to forfeiture of the motor vehicle involved in the crime. New criminal offenses have been created to address causing death with a motor vehicle while under the influence of alcohol or drugs to habitually driving under the influence. Administrative license revocation has been enacted to quickly revoke a driver's license while the courts determine what penalties are appropriate. Special attention has been given to repeat offenders, offenders who are highly intoxicated, youthful offenders, and those who drive under the influence with a child in the vehicle. Your Committee believes that using interlock devices to deter intoxicated drivers from driving is a natural extension of these policies.

Your Committee has amended this measure by deleting its contents and inserting the provisions of Senate Bill No. 716, S.D. 1, a similar measure, along with conforming technical amendments thereto.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 981, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Majority Leader on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 992 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 366**

The purpose of this measure is to establish fines and penalties for knowingly killing or capturing manta rays within state waters.

Testimony in support of this measure was submitted by one state agency, thirteen organizations, and seventy-eight public citizens. One state agency supported the intent of the measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will ensure the protection of Hawaii's manta ray populations. Manta ray populations reproduce slowly, a female manta ray will take close to ten years before she has her first pup, and will contribute a single new pup only every two to three years. Around the world manta ray populations have been decimated, they are targeted for shark fin soup and controversial medicines. Due to the slow reproduction process, any taking of manta rays can affect the population for many years. Currently, there are no state laws or rules to protect Hawaii's manta ray population.

Your Committee has amended this measure by:

- (1) Requiring that special activity permits not be issued for any take that would exceed the potential biological removal level;
- (2) Defining "potential biological removal level"; and
- (3) Amending the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 366, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 366, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 993 Energy and Environment on H.B. No. 245**

The purpose of this measure is to support renewable energy facility development in Hawaii by:

- (1) Providing that the siting, development, construction, and operation of a renewable energy facility may be allowed within a conservation or agricultural district or special management area, subject to permit and approval processes under applicable statutory provisions and to the discretionary authority of permitting agencies or authorities to impose conditions;
- (2) Requiring all agencies and authorities that issue permits or approvals to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to develop criteria for, identify mitigation measures applicable to, and otherwise regulate renewable energy facilities within conservation or agricultural districts or special management areas; and
- (3) Limiting renewable energy facilities to wind energy facilities, biofuel processing facilities, agricultural-energy facilities, and solar energy facilities, as those terms are defined within specific sections of chapter 205, Hawaii Revised Statutes.

Testimony in support of this measure was submitted by two state departments and one private organization. Testimony in support of the measure, with amendments, was submitted by one private organization. Testimony in support of the intent of the measure, with suggested amendments, was submitted by one state department. Testimony in opposition to the measure was submitted by one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that it is the intent of this measure to balance the competing goals of energy self-sufficiency and the reduction of Hawaii's reliance on petroleum-based energy, with the protection of conservation, agricultural, and special management area lands. However, your Committee also finds that it is important that agencies tasked with permitting renewable energy facilities are able to use their discretion to craft appropriate mitigation measures when reviewing such projects. Further, requiring agencies to



adopt additional rules could unnecessarily burden the agencies and may not be necessary if such approvals are already within the agencies' discretion or the agencies can adopt procedures to the same effect.

Your Committee has amended this measure by:

- (1) Clarifying that agencies and authorities may impose reasonable restrictions or require mitigation measures to protect natural resources and cultural resources and activities, in addition to agricultural resources and activities, the environment, or the health, safety, and welfare of the residents of the State;
- (2) Giving agencies and authorities that issue permits or approvals for renewable energy facilities the discretion to adopt rules or procedures for renewable energy facilities, rather than mandating that such entities adopt rules pursuant to chapter 91, Hawaii Revised Statutes;
- (3) Clarifying that the types of renewable energy facilities allowed pursuant to sections 205-2(d)(4) through (7) and 205-4.5(a)(14) through (16), Hawaii Revised Statutes, applies to the types of facilities that are permitted within the state agricultural district and not to facilities in the conservation district or special management area;
- (4) Reiterating that the proposed amendments in the measure are not intended to diminish the discretion of any agency or any authority under existing laws to approve or disapprove any permit application; and
- (5) Changing its effective date from July 1, 2020, to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 245, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 245, H.D. 1, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 2 (Hooser, Kokubun). Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 994 Commerce and Consumer Protection on H.B. No. 874**

The purpose of this measure is to prohibit a deed restriction or covenant that requires the payment of a transfer fee to a specified private party every time a property is sold or transferred.

Your Committee received testimony in support of this measure from Hawai'i Association of Realtors. Testimony in opposition to this measure was received from 1250 Oceansides Partners. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some real estate developers charge transfer fees that require a payment to the developer every time a property is sold or transferred from one owner to the next. Some of these fees are unrelated to any legitimate purpose and serve only to enrich the developer. Your Committee finds that there is presently no regulation of these fees, no limitation on their application, and no accountability or oversight of the recipients.

Your Committee notes the concerns expressed by testifiers that the exemptions from the prohibition on transfer fees contained in this measure do not account for currently existing, judicially mandated or sanctioned transfer fees. It is not the intent of your Committee to place any individual in the untenable position of being forced to choose between complying with a court order and a legislative mandate. However, as a public policy, it is troublesome to allow a developer to settle private disputes by burdening future purchasers who were not party to the original dispute. Accordingly, your Committee has included an amendment that ameliorates this concern, but respectfully requests that the Committee on Judiciary and Government Operations further consider this issue, which lies properly in that Committee's jurisdiction.

Your Committee has amended this measure by:

- (1) Clarifying that the prohibition on transfer fees is prospective, and does not affect deed restrictions or other covenants running with the land made prior to July 1, 2009; and
- (2) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 874, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 874, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, none.

**SCRep. 995 (Joint/Majority) Education and Housing and Human Services on H.B. No. 395**

The purpose of this measure is to require that any unexpended or unencumbered general fund appropriations designated for the State's early learning system for fiscal year 2008-2009 shall lapse into the keiki first steps trust fund.

Testimony in support of this measure was submitted by two government agencies, seven private organizations, and one individual. Testimony in opposition was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the provision in this measure is similar to one contained in S.B. No. 1329, S.D.1, previously adopted after a public hearing by your Committee on Human Services, which also made clarifying amendments to the Early Learning Council and the keiki first steps trust fund.

In addition, your Committee on Education and Housing previously heard and approved a measure related to junior kindergarten and kindergarten assessment, further amended as S.B. No. 1278, S.D.2.

Your Committees have amended this measure by replacing its contents with provisions from the measures discussed above, to:

- (1) Require the Department of Education, beginning with the 2010-2011 school year, to use successful assessment tools and protocols for determining a student's initial placement and for decision making about a student's movement between junior kindergarten, kindergarten, and into grade one; and
- (2) Clarify provisions of the Early Learning System, established by Act 14, Special Session Laws of Hawaii 2008, including authorizing designees for all members of the Early Learning Council, changing the name of the keiki first steps trust fund to the early learning trust fund, and specifying that moneys in the early learning trust fund shall not lapse to the credit of the general fund at the end of each fiscal year.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 395, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 395, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, 1 (Hemmings). Excused, 1 (Tsutsui).

**SCRep. 996 (Joint/Majority) Education and Housing and Energy and Environment on H.B. No. 986**

The purpose of this measure is to address concerns regarding public school facilities by:

- (1) Requiring construction and renovation of public school facilities to meet the Collaborative for High Performance Schools standards;
- (2) Requiring replacement of old portable buildings with high performance classrooms; and
- (3) Requiring prioritization of public school facilities projects in accordance with certain criteria.

Testimony in support of this measure was submitted by one private organization. Two state agencies submitted comments. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees have heard a number of concerns regarding the amendments in this measure. The measure would require all public school facilities, including renovations and projects less than 5,000 square feet, to meet the Collaborative for High Performance Schools. The Department of Education has noted that the new language is unnecessary, given that section 196-9(b)(1), Hawaii Revised Statutes, refers to energy guidelines, and that the Department is currently incorporating the Collaborative for High Performance Schools criteria and referencing its Best Practices Guidelines for both new construction and renovation projects.

Regarding the proposed requirement to replace portable classrooms older than twenty years, your Committees also note that the Department recommends replacing portables when their condition warrants replacement and that the Department currently has pilot projects underway to retrofit and reduce energy use in existing portables, as well as to develop an energy neutral prototype high performance classroom.

Your Committees are supportive of increasing energy efficiency in public school facilities, both as a means of decreasing dependence on outside sources of energy and as a way of achieving cost savings for the schools.

Your Committees have amended this measure accordingly, by:

- (1) Deleting the proposed new language in section 196-9(c), Hawaii Revised Statutes;
- (2) Amending section 196-9(b)(1), Hawaii Revised Statutes, to include renovation in the energy guidelines;
- (3) Amending statute references throughout to reflect these changes;
- (4) Amending the effective date to July 1, 2030, for the purposes of further discussion; and
- (5) Making technical amendments.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 986, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 986, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 1 (Hemmings). Excused, 4 (Chun Oakland, English, Hooser, Tsutsui).

**SCRep. 997 Education and Housing on H.B. No. 1045**

The purpose of this measure is to:

- (1) Authorize the Hawaii Housing Finance And Development Corporation to modify and amend development agreements with eligible developers;
- (2) Authorize the imposition and collection of reasonable fees for administrative expenses, as set by the Legislature; and
- (3) Make housekeeping amendments to delete incorrect references to "public" housing.

Testimony in support of this measure was submitted by one state agency.

Your Committee finds that Act 198, Session Laws of Hawaii 2005, added a new section to chapter 201G, Hawaii Revised Statutes, to provide express authority for the Housing and Community Development Corporation of Hawaii to modify and amend development agreements with eligible developers that were entered into by its predecessor, the Housing Finance and Development Corporation. However, this section was omitted in Act 180, Session Laws of Hawaii 2006, which recodified Hawaii's housing laws.

Your Committee further finds that this measure also clarifies the Corporation's authority to collect reasonable application or service fees for loans, grants, or other affordable housing financing and development assistance programs; provided that the fees are established by the Legislature.

Your Committee has amended this measure to authorize the Authority, not the Legislature, to establish the application and service fees.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1045, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

#### **SCRep. 998 Economic Development and Technology on H.B. No. 1451**

The purpose of this measure is to continue providing financial support for Hawaii's high tech industry while also mitigating revenue losses to the State.

Specifically, this measure is intended to achieve the following:

- (1) Extend the availability of the Technology Infrastructure Renovation Tax Credit, High Technology Business Investment Tax Credit, and Tax Credit for Research Activities to December 31, 2015; and
- (2) Establish a limit of \$10,000,000 on the aggregate of High Technology Business Investment Tax Credits that may be claimed by taxpayers in a taxable year for investments in a single qualified high technology business and a limit of \$50,000,000 on the aggregate of High Technology Business Investment Tax Credits claimed in a taxable year by all taxpayers for investments in qualified high technology businesses.

Testimony in support of this measure was submitted by the Office of the Governor, the Department of Taxation, County of Hawaii Department of Research and Development, and Hawaii Government Employees Association. Testimony in opposition of this measure was submitted by the Maui Economic Development Board, Hawaii Crop Improvement Association, PacifiCap Group LLC, Hawaii Venture Capital Association, Hawaii Angels, Goodwill Anderson Quinn & Stifel LLLP, Cardax Pharmaceuticals Inc., Gay & Robinson Inc., Carbon Diversion Inc., Oceanit, Ocean Engineering and Energy Systems, Oceantronics, Atco Software Inc., e-telligents LLC, Deep Seawater International Inc., Ventura Technology Ltd., Archinoetics LLC, Marine Minerals Technology Center Associates, Kona Blue Water Farms, Datahouse Consulting Inc., People Bridge, Cellular Bioengineering Inc., OmniGreen Renewables LLC, Honolulu Seawater Air Conditioning LLC, Innovasc LLC, Decision Research Corporation, Akamai Initiative, Peletex, Inc., Pacific LightNet Communications, Pacific Biodiesel, Mauna Kea Infrared, LLC, Pacific Light and Power, Production Partners, Inc., Makai Motion Pictures, Island Film Group, Hawaii Movie Studios LLC, Hyperspective Studios, Edutainment Resources Inc., Production Assistance Unlimited of Hawaii, Event Group Hawaii Inc., IATSE Local 665, BAE Systems, Grant Thornton LLP, and Noni Biotech International, and five concerned individuals. Comments on this measure were submitted by Central Pacific Bank and Accuity LLP. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that various high technology and research activity tax credits serve as economic incentives to the private sector that are vital to the development of emerging industries in Hawaii. Your Committee also finds that taking into consideration the State's current economic condition and budget crisis that certain safeguards should be put in place to preserve or even bolster the State's general fund through the receipt of more tax revenues.

Your Committee has adopted in this measure a \$100,000,000 limit on the aggregate amount of tax credits that can be claimed by all taxpayers for the High Technology Business Investment Tax Credit in a single year. The purpose of the aggregate limit is to provide the State savings of over \$85,000,000 in fiscal years 2010 and 2011 combined. The tax savings generated from the aggregate limit are derived from projections adopted by the Council on Revenues, which estimates taxpayer claims for the High Technology Business Investment Tax Credits to be in excess of \$140,000,000 in each of the fiscal years 2010 and 2011.

Furthermore, your Committee has incorporated several of the recommendations suggested by technology industry representatives to develop a framework for the State to realize additional tax savings from the credits provided by Act 221. Your Committee has adopted recommendations from technology industry representatives that serve to tighten up on abuses that have been alleged regarding Act 221 credits in the past, such as through the creation of "drop-down subsidiaries."

Your Committee has amended this measure by:

- (1) Deleting sections 1 through 5;
- (2) Reducing the extension of time to claim a Technology Infrastructure Renovation Tax Credit from December 31, 2015, to December 31, 2012;
- (3) Increasing the aggregate limit for High Technology Business Investment Tax Credits claimed by all taxpayers for investments made in qualified high technology businesses from \$50,000,000 to \$100,000,000 for each of the following periods:
  - (A) From July 1, 2009, through December 31, 2009;

- (B) From January 1, 2010, through December 31, 2010;
- (C) From January 1, 2011, through December 31, 2011; and
- (D) From January 1, 2012, through December 31, 2012;
- (4) Changing the aggregate limitation period for purposes of the High Technology Business Investment Tax Credit from taxable years beginning after December 31, 2009, to investments made after June 30, 2009;
- (5) Clarifying that the application of the five-year tax credit period for the High Technology Business Investment Tax Credit is for new investments made in qualified high technology businesses on or before December 31, 2012;
- (6) Clarifying that the term "taxpayer" as used for the High Technology Business Investment Tax Credit means the respective partners, members, or other beneficial owners of a pass-through entity and not the actual partnership, limited liability company, or other pass-through entity;
- (7) Reducing the High Technology Business Investment Tax Credit recapture percentage from fifty per cent to ten per cent;
- (8) Clarifying that if a recapture event occurs during the five-year period applicable to the High Technology Business Investment Tax Credit, then one hundred per cent of the tax credit is disallowed in the year of the recapture event and each year thereafter during the five-year period;
- (9) Deleting the application of sections 6676, 6694, 6700, and 7404 of the Internal Revenue Code to the High Technology Business Investment Tax Credit;
- (10) Increasing the time to claim a High Technology Business Investment Tax Credit from December 31, 2011, to December 31, 2012;
- (11) Adding the requirement for qualified high technology businesses to file a claim for a High Technology Business Investment Tax Credit allotment on a form prescribed by the Department of Taxation;
- (12) Adding the requirement for each qualified high technology business to provide evidence or proof of the investment amount received to the Department of Taxation before a credit allotment amount is provided to the qualified high technology business;
- (13) Requiring a qualified high technology business that constitutes a "drop-down subsidiary" to obtain a comfort letter ruling from the Department of Taxation prior to qualifying for the High Technology Business Investment Tax Credit;
- (14) Defining the meaning of a "drop-down subsidiary" for purposes of the High Technology Business Investment Tax Credit;
- (15) Reducing the time period for the application of section 41 of the Internal Revenue Code to the Tax Credit for Research Activities from January 1, 2015, to January 1, 2012, if section 41 of the Internal Revenue Code is repealed or terminated before January 1, 2012;
- (16) Increasing the time to claim the Tax Credit for Research Activities from December 31, 2011, to December 31, 2012;
- (17) Extending the date of the repeal and reenactment of Act 206, Session Laws of Hawaii 2007, from January 1, 2011, to January 1, 2013; and
- (18) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1451, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1451, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 999 (Joint) Economic Development and Technology and Health on H.B. No. 1567**

The purpose of this measure is to encourage the establishment of health care facilities in underserved areas of the State by adding skilled nursing facilities to the businesses that may qualify for benefits under the State Enterprise Zones law.

Testimony in support of this measure was submitted by Avalon Health Care, Inc. Testimony in opposition of this measure was submitted by the Department of Taxation and the Department of Business, Economic Development, and Tourism. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will help to provide the infrastructure needed for the continuum of care for the State's growing aging population by providing a general excise tax exemption for skilled nursing facilities operating within, or deemed to be operating within, a designated enterprise zone.

Your Committees received a fiscal impact statement from the Department of Taxation that this measure, as introduced, would result in annual revenue losses to the State as follows:

- (1) \$120,000 in fiscal year 2010;
- (2) \$320,000 in fiscal year 2011;
- (3) \$400,000 in fiscal year 2012;
- (4) \$480,000 in fiscal year 2013;

- (5) \$331,800 in fiscal year 2014; and
- (6) \$51,800 in fiscal year 2015.

The Department of Taxation's methodology is as follows:

The revenue estimate is based on construction of a new skilled nursing facility with 100 beds. Construction costs are estimated to be \$20,000,000, incurred over 4 years beginning in fiscal year 2010 (15 per cent the first year, 25 per cent in years 2 and 3, and 35 per cent in year 4). The estimates are based on payroll of \$35,000 per bed. Gross receipts are estimated at \$60,200 per bed, beginning in 2014. Unemployment insurance payments are assumed to be 2.5 per cent of salaries. Taxable income is assumed to equal 10 per cent of the gross income and to be subject to tax at a rate of 6.25 per cent. It is assumed two facilities will be built in the first and second year after this bill passes.

- (1) Fiscal year 2010, \$120,000 (1 st fac.);
- (2) Fiscal year 2011, \$200,000 (1 st fac.) + \$120,000 (2nd fac.) = \$320,000;
- (3) Fiscal year 2012, \$200,000 (1 st fac.) + \$200,000 (2nd fac.) = \$400,000;
- (4) Fiscal year 2013, \$280,000 (1st fac.) + \$200,000 (2nd fac.) = \$480,000;
- (5) Fiscal year 2014, \$51,800 (1 st fac.) + \$280,000 (2nd fac.) = \$331,800; and
- (6) Fiscal year 2015, \$51,800 (2nd fac.)

Your Committees have amended this measure by deleting its contents and replacing it with the contents of S.B. No. 1266, which, beginning on January 1, 2010, will treat each skilled nursing facility located outside an enterprise zone as a qualified business operating within an enterprise zone if the skilled nursing facility begins operations as a new facility or expands existing operations.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1567, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1567, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 1000 (Joint) Economic Development and Technology and Health on H.B. No. 553**

The purpose of this measure is to encourage the establishment of modern medical and research facilities within the State by establishing a Medical Enterprise Zone Program to initially consist of a pilot medical enterprise zone in West Maui.

Testimony in support of this measure was submitted by Hawaii Association for Justice and West Maui Improvement Foundation Inc. Testimony in opposition of this measure was submitted by the Department of Taxation and the Department of Business, Economic Development, and Tourism. Comments on this measure were submitted by the City and County of Honolulu Department of Planning and Permitting. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that our State, especially in rural areas similar to West Maui, would benefit greatly from the establishment of modern medical facilities for health care and research that would attract highly skilled medical professionals to work in Hawaii. Your Committees also find that limiting the potential investment and subsequent tax credits and tax exemptions to a medical enterprise zone pilot project in West Maui will minimize any potential negative financial impact on the State, while at the same time allowing the State to evaluate the medical enterprise zone's performance and attractiveness.

Your Committees have amended this measure by:

- (1) Designating the Director of Business, Economic Development, and Tourism, rather than the Director of Health, as the entity to which the governing body of the County of Maui shall transmit a description of the proposed location of the pilot program in West Maui;
- (2) Directing the Director of Business, Economic Development, and Tourism, rather than the Director of Health, to designate the proposed area in West Maui as a medical enterprise zone for a period of seven years;
- (3) Changing the effective date to December 31, 2050, and applying it to taxable years beginning after December 31, 2050, to promote further discussion;
- (4) Changing the repeal date to January 1, 2017; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 553, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 553, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 1001 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on H.B. No. 1807**

The purpose of this measure is to enable Hawaii to receive and use moneys under the federal American Recovery and Reinvestment Act of 2009 and any later federal laws for drinking water or wastewater infrastructure.

Testimony in support of the measure was submitted by six county departments or boards and four private organizations. Testimony in support of the measure, with suggested amendments, was submitted by the Department of Health. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that there are two revolving fund programs, the Drinking Water Fund, established under chapter 340E, Hawaii Revised Statutes, and the Revolving Fund, established in chapter 342D, Hawaii Revised Statutes, that currently loan funds to counties for the construction of publicly owned drinking water and wastewater infrastructure projects. These two revolving funds were established pursuant to federal law, and function like environmental infrastructure banks by distributing low interest rate loans for water quality projects. Loan repayments are recycled back into individual fund programs. Because Congress had intended for these funds to revolve in perpetuity, neither program allows for loan subsidies and grants to be made to the counties.

The American Recovery and Reinvestment Act of 2009, P.L. 111-5 (American Recovery and Reinvestment Act) will provide significant funding for wastewater and drinking water system improvements, totaling approximately \$49,800,000. The amendments in this measure are required to allow for loans to the counties with forgiveness of principal, zero or negative interest, and grants in order to permit these revolving fund programs to make grants and loan subsidies of funds from the American Recovery and Reinvestment Act funds.

The Department of Health has also raised a related issue in testimony. According to the Department of Health, an additional Total Maximum Daily Load Coordinator is required so that the Department of Health can properly and fully comply with federal water pollution control requirements in section 303 of the Clean Water Act of 1072 (P.L. 92-500), as amended. According to the Department of Health, the State needs highly qualified and experienced Total Maximum Daily Load Coordinators to protect the State from water pollution and to carefully repair the damages incurred to minimize impacts on Hawaii residents and the State's economic environment. This position is to be federally funded.

Your Committees have amended this measure by:

- (1) Adding the phrase "and other applicable federal acts" to the end of Section 2(c) and Section 3(c) of the measure, for consistency and to ensure that the State can take advantage of similar federal laws in the future;
- (2) Inserting as a new part Section 1 of S.B. No. 934, S.D. 1, authorizing the Department of Health to establish not more than two exempt positions for Total Maximum Daily Loan Coordinators; and
- (3) Making technical, nonsubstantive changes for style and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1807, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1807, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice President on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 5 (Espero, Green, Ihara, Nishihara, Hemmings).

**SCRep. 1002 Commerce and Consumer Protection on H.B. No. 1438**

The purpose of this measure is to bring Hawaii into compliance with federal law by implementing the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act).

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Association of Mortgage Brokers, Mortgage Bankers Association of Hawaii, Hawaii Bankers Association, Hawaii Credit Union League, and Legal Aid Society of Hawaii. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs and Hawaii Financial Services Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure complies with the requirements of the federal SAFE Act. Your Committee further finds that the purpose of the SAFE Act is "to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud" by encouraging the states to regulate the mortgage industry. Your Committee notes that this measure is based on a model act prepared by the Conference of State Bank Supervisors and American Association of Residential Mortgage Regulators that the federal Department of Housing and Urban Development has approved as compliant with the federal law.

Your Committee notes that, under the SAFE Act, failure of the State to implement conforming legislation would result in abdication of the State's right to regulate the mortgage industry and assignment of that right to the federal Department of Housing and Urban Development. Your Committee finds that this result would be unacceptable as it is critical that the State retain its right to respond to unique local circumstances in regulating the mortgage industry.

Your Committee has amended this measure by:

- (1) Adding provisions relating to mortgage call reports, unique identifiers for mortgage loan originators, and reports to the Nationwide Mortgage Licensing System in order to fully comply with the SAFE Act;
- (2) Amending the prohibited practices section to conform to existing law regarding unfair and deceptive trade practices;
- (3) Specifying the fees for application, licensure, and renewal of a license;

- (4) Providing that chapter 454, Hawaii Revised Statutes, shall be repealed effective December 31, 2010, and clarifying the process for transitioning industry regulation under chapter 454 to regulation under this measure;
- (5) Specifying the appropriation from the Compliance Resolution Fund for implementation of this measure; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1438, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1438, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 1003 (Joint) Commerce and Consumer Protection and Judiciary and Government Operations on H.B. No. 268**

The purpose of this measure is to require the Assistant Registrar of the Land Court to provide an image and index of all instruments that contain real property transactions to the Administrator of the City and County of Honolulu's Real Property Assessment Division so that the Division may serve as a clearinghouse for real property information.

Your Committees received testimony in support of this measure from the County of Hawaii, the City and County of Honolulu, the County of Kauai, and the County of Maui. Testimony in opposition of this measure was received from the Department of Land and Natural Resources. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will help the counties to accurately assess real property taxes as well as to comply with their obligations to maintain accurate records and provide public notification of changes in land use and zoning. Your Committees note that the counties currently experience a productive, if informal, working relationship with the Office of the Assistant Registrar of the Land Court. This measure will allow the counties and the Office of the Assistant Registrar to continue those relationships as they currently stand, regardless of changes in administration or personnel.

Your Committees further note the opinion of the City and County of Honolulu that a legislative directive to a specific county is an erosion of the counties' home rule powers. Without taking a position on this issue, your Committees recognize the authority of the counties to exercise self-governance, to the extent authorized by the Legislature.

Your Committees have amended this measure by:

- (1) Clarifying that the counties may agree to delegate information-gathering and distribution responsibilities to a single county pursuant to memorandum of understanding among the several counties;
- (2) Clarifying that the time limit imposed on the Land Court to deliver or forward the records may be waived in the event of technical computer malfunction that creates an unforeseen delay;
- (3) Specifying that neither the Land Court nor the Real Property Assessment Administrator is obligated to provide information free of charge to a requestor other than a county;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive changes for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 268, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 268, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 4 (Gabbard, Green, Sakamoto, Hemmings).

**SCRep. 1004 (Joint) Energy and Environment and Higher Education on H.B. No. 281**

The purpose of this measure is to prioritize the expenditure of federal funds received by the State through the American Recovery and Reinvestment Act of 2009 to develop the highly skilled and well-trained green collar workforce needed by Hawaii's emerging green economic sector and to implement the Emergency Environmental Workforce Program.

Testimony in support of the measure was submitted by one individual. Testimony in support of the measure, with suggested amendments, was submitted by the Research Corporation of the University of Hawaii (RCUH) and the Nature Conservancy. Testimony in support of the intent of the measure, with a suggested amendment, was submitted by the University of Hawaii. Testimony in opposition to this measure was submitted by two state departments. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that in 2001, the Legislature established the Emergency Environmental Workforce, pursuant to Act 4, Third Special Session Laws of Hawaii 2001, in order to provide funding to the RCUH to employ Hawaii residents who were economically displaced after the terrorist attacks of 2001. The 225 RCUH employees who were part of this program augmented existing programs by combating the State's serious environmental problems relating to invasive species. Many of these program participants have continued their careers in environmental and conservation areas.

In Hawaii's current economic crisis, the same type of program may be beneficial to the State by providing jobs and training to economically displaced residents, while at the same time addressing the State's pressing environmental concerns. Through funding from the American Recovery and Reinvestment Act of 2009 and other appropriate federal funding, these dual goals can be met. The

RCUH estimates that a green-collar workforce consisting of 200 employees employed for twelve months with benefits would cost up to \$14,800,000 to be paid from any appropriate federal stimulus funds.

Your Committees have amended this measure by:

- (1) Deleting the word “contract” in Section 3(1) and (2) and Section 4(4) of the measure, as recommended by the RCUH, because the workforce employees will not be contract employees;
- (2) Deleting Section 4(5), as recommended by the University of Hawaii and the RCUH, because the RCUH utilizes the services of the Attorney General’s Office as its legal counsel;
- (3) Adding a provision addressing procurement and employment matters for the workforce employees, as recommended by the RCUH;
- (4) Providing that the Emergency Environmental Workforce program will also supply support and prevent layoffs in existing environmental programs, as recommended by the Nature Conservancy;
- (5) Narrowing the reference to federal funds to those federal sources that are appropriate, as recommended by the Department of Labor and Industrial Relations; and
- (6) Changing its effective date from July 1, 2020, to July 1, 2009.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 281, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 281, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 5 (Baker, Ihara, Takamine, Hemmings, Slom).

**SCRep. 1005 Higher Education on H.B. No. 1057**

The purpose of this measure is to encourage additional contributions to a college savings account by allowing any person or entity, regardless of whether the person or entity is the account owner, to make contributions to the account after the account is opened.

Testimony in support of this measure was submitted by the Department of Budget and Finance. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that under current law, only the college savings account owner – usually a parent – is allowed to make contributions into his or her account. This measure would allow others to contribute directly into an account, and make it much easier for grandparents, other relatives, friends, or employers to make contributions to benefit a particular individual.

Your Committee further finds that allowing these additional contributions would not require any funding from the State in these fiscally challenging times, but would provide an immediate positive impact on the program.

Your Committee has amended this measure by making the Act effective on July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1057, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1057, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Sakamoto, Taniguchi).

**SCRep. 1006 (Joint) Health and Commerce and Consumer Protection on H.B. No. 704**

The purpose of this measure is to protect consumers of home care services by:

- (1) Requiring home care agencies to be licensed by the Department of Health; and
- (2) Appropriating funds for a position in the Department of Health to assist with licensure and monitoring of home care agencies.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii, the Chamber of Commerce of Hawaii, and International Longshore and Warehouse Union- Local 42. Testimony in support of this measure with amendments was submitted by the Department of Human Services. Comments on this measure were submitted by the Department of Health.

Written testimony presented to your Committees may be reviewed on the Legislature’s website.

Your Committees find that home care is a rapidly increasing sector of the health care continuum. The intent of mandating home care agencies to be licensed is to ensure that individuals are receiving quality services. Your Committees further find that the licensure program may be better situated within the Department of Human Services rather than the Department of Health.

Your Committees have amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on the matter; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 704, H.D. 1, as amended herein, and



recommend that it pass Second Reading in the form attached hereto as H.B. No. 704, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 3 (Ihara, Nishihara, Hemmings).

**SCRep. 1007 (Joint) Health and Commerce and Consumer Protection on H.B. No. 1504**

The purpose of this measure is to establish the Hawaii Health Authority to develop a comprehensive plan to provide universal health care in Hawaii.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, the Hawaii Government Employees Association, International Longshore and Warehouse Union - Local 42, and Kokua Kalihi Valley. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Comments on this measure were submitted by the Hawaii Medical Association, Kaiser Permanente, and Hawaii Medical Service Association.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that all residents of Hawaii should have access to affordable health care. Your Committees further find that the current administration is considering action on the federal level to provide universal access to health care and that this should be taken into consideration before further action is taken on the state level.

Your Committees have amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on the matter.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1504, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1504, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 3 (Ihara, Nishihara, Hemmings).

**SCRep. 1008 (Joint) Health and Human Services on H.B. No. 1373**

The purpose of this measure is to ensure health care access for all residents by appropriating funds for nonprofit, community-based health care providers to provide direct health care services to uninsured residents.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, the Kupuna Caucus of the Democratic Party of Hawaii, Community Clinic of Maui, Waikiki Health Center, Molokai Community Health Center, Bay Clinic Inc., Kokua Kalihi Valley, Kalihi-Palama Health Center, Kiuchi & Nakamoto Attorneys at Law, Ho'ola Lahui Hawaii, Waimanalo Health Center, Lanai Women's Center, Lanai Community Health Center and the Ko'olauloa Community Health and Wellness Center, Inc. Testimony in opposition of this measure was submitted by the Department of Health.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that support throughout the fiscal biennium is necessary to provide cost-effective care for uninsured Hawaii residents and ensure that the community health center system remains financially viable and stable as the number of uninsured persons grows. Your Committees further find that current funding levels for community health centers providing direct health care services to the uninsured is \$6,000,000.

Your Committees have amended this measure by:

- (1) Amending the appropriation provision to allow for a two-year appropriation; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1373, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1373, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1009 Tourism on H.B. No. 1204**

The purpose of this measure is to clarify the disposition and distribution of revenues of the transient accommodations tax by:

- (1) Deleting the requirement to deposit excess transient accommodations tax revenues into the general fund;
- (2) Depositing the remaining revenues of an unspecified amount, after deposits and distributions under current law, into the tourism special fund in fiscal years 2009-2010 and 2010-2011, with any remaining revenues to be deposited into the general fund, and entirely into the general fund beginning fiscal year 2011-2012 and each fiscal year thereafter.

Your Committee received testimony in support of this measure from the Hawai'i Tourism Authority; Grand Hyatt Kauai Resort & Spa; Maui Hotel & Lodging Association; The Chamber of Commerce of Hawaii; Hawai'i Hotel & Lodging Association; Retail Merchants of Hawaii; Outrigger Hotels; Hilton Hawaii; and Destination Resorts Hawaii. Testimony in opposition was received from the Department of Taxation; Department of Budget and Finance; and one individual. Comments were received from the State Tourism Liaison and Tax Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an increase in revenue for the tourism special fund will better enable the Hawaii Tourism Authority to carry out its basic function to increase tourism to the State. Ultimately, the additional distribution of funds will enable the visitor industry to remain viable through the investment of much needed marketing and funding of programs to stimulate travel to Hawaii.

Your Committee has amended this measure to change the effective date to July 1, 2050, to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1204, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1204, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Kidani).

**SCRep. 1010 Labor on H.B. No. 987**

The purpose of this measure is to:

- (1) Establish a State Comprehensive Employment and Training Program to provide unemployed persons who have exhausted all available unemployment insurance benefits with opportunities for employment in public service jobs, related training, and assistance in finding temporary full-time or part-time employment; and
- (2) Provide subsidies to certain private employers for participating in employment programs to train and permanently hire unemployed persons.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that immediate action is necessary to alleviate the high unemployment situation in the State. Your Committee further finds that establishing a statewide employment and training program and providing subsidies to private employers to provide training and hire unemployed workers would effectively equip workers with the skills and opportunities they need to gain permanent employment.

Your Committee has amended this measure by:

- (1) Changing the effective date to the latter of July 1, 2050 (rather than July 1, 2020), or the date upon which the Governor publishes a notice that the seasonally-adjusted unemployment rate has exceeded seven per cent; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 987, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 987, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1011 Labor on H.B. No. 111**

The purpose of this measure is to establish a two-year statute of limitations for recovering indebtedness to the State through the withholding of state salaries.

Testimony in support of this measure was submitted by two organizations and one individual. Comments were submitted by one state agency and two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State is currently allowed an unlimited amount of time to collect overpayments made to state employees, even when the overpayments were made in error by the State. Your Committee further finds that this measure provides employees with an equal protection against the State collecting portions of their salaries after more than two years, as in many cases repayment is an unexpected, additional financial burden on those employees.

In addition to addressing the statute of limitations for the State's recovery of debt through the withholding of state salaries, your Committee also finds necessary an amendment to the salary of the recently vacated state Captive Insurance Administrator position. In order to attract the best candidates for this position, your Committee has amended this measure by increasing the maximum salary of the Captive Insurance Administrator to an amount equal to the maximum salary of the First Deputy to the Director of Commerce and Consumer Affairs.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 111, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1012 (Majority) Tourism on H.B. No. 1763**

The purpose of this measure is to replace the Hawaii Tourism Authority with a new Department of Tourism.

Your Committee received testimony in support of this measure from the Mayor of Honolulu. Testimony in opposition was received from the Department of Budget and Finance; Hawai'i Tourism Authority; State Tourism Liaison; Hawai'i Hotel & Lodging Association; Outrigger Hotels; The Chamber of Commerce of Hawaii; Grand Hyatt Kaua'i Resort & Spa; Maui Hotel & Lodging

Association; Destination Resorts Hawaii; and Hilton Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Under this measure, the Department of Tourism would have general charge, oversight, and care of tourism and related activities in the State. The objective of the Department is to promote activities that support, maintain, and expand the State's domestic and international travel market, endeavoring to generate increased visitor expenditures, tax revenue, and employment.

Your Committee finds that the Hawaii tourism industry merits the status of an executive department, to reflect the priority the State places on tourism as an economic engine. A Department of Tourism would be able to maneuver through difficult times such as the current recession and past economic downturns by its ability to react quickly to problems and its flexibility to create programs that address the needs of the industry and the market.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to continue the discussions on this matter; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1763, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 1013 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 900**

The purpose of this measure is to appropriate funds for the operating budget of the Office of Hawaiian Affairs for fiscal years 2009-2010 and 2010-2011.

Testimony in support of this measure was submitted by one state agency and one organization. Testimony in opposition to this measure was submitted by one individual. Comments were submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to continue support of the programs benefitting Hawaiians and native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 900, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1014 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 586**

The purpose of this measure is to repeal the Kaneohe Bay Regional Council and transfer responsibilities over all plans, programs, and policies adopted by the Council to the Department of Land and Natural Resources.

Testimony in support of this measure was submitted by two state agencies. Testimony in opposition to this measure was submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Kaneohe Bay Regional Council has played a significant role in developing the Kaneohe Bay Master Plan, stewarding resources, and addressing controversial issues in the Kaneohe Bay area. However, your Committee also recognizes that the current economic situation calls for the Department of Land and Natural Resources to focus its efforts on core functions, and that absorbing the functions performed by the Council into current operations of the Department of Land and Natural Resources is a prudent decision at this time.

Your Committee appreciates the valuable contributions of the Kaneohe Bay Regional Council and encourages the Department of Land and Natural Resources to build upon the successes and experiences of the Council as the Department carries out the Council's duties moving forward.

Your Committee has amended this measure as follows:

- (1) Beginning on the effective date of the measure, requiring the Department of Land and Natural Resources to carry out all of the duties and functions of the Kaneohe Bay Regional Council established by chapter 200D, Hawaii Revised Statutes, prior to the effective date of the measure; and
- (2) Changing the effective date from January 1, 2020, to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 586, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 586, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1015 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 975**

The purpose of this measure is to allow the Agribusiness Development Corporation to acquire or contract to acquire real, personal, or mixed property comprising an agricultural water system by grant, purchase, or gift exempt from county subdivision requirements for the purpose of providing water for irrigation of agricultural lands.

Your Committee received testimony in support of this measure from one state agency and three organizations. Testimony in opposition to this measure was received from one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will benefit the development of diversified agriculture in Hawaii by making it easier for the Agribusiness Development Corporation to acquire and manage large-scale agricultural water systems from former plantation land for the benefit of local farmers and agribusinesses. Your Committee further finds that exempting transferred real property from county subdivision requirements eliminates unnecessary cost and administrative burdens that do not provide a public benefit and have the potential to derail necessary conveyances of land. Your Committee finds that this measure will assist the State in fulfilling its obligation under Article XI, Section 3 of the Hawaii State Constitution to "conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency and assure the availability of agriculturally suitable lands."

Your Committee has amended this measure by clarifying that the exemption from county subdivision requirements applies only where no new lots are created by the acquisition of an agricultural water system by the Agribusiness Development Corporation.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 975, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 975, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 1016 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Education and Housing on H.B. No. 1015**

The purpose of this measure is to allow the Department of Hawaiian Home Lands (DHHL) to incur obligations in excess of the amount standing to the credit of a DHHL trust fund, subject to conditions that the Director of Finance deems reasonably necessary and when the Director of Finance determines that:

- (1) Monies to pay the obligation made in excess of the amount standing to the credit of the DHHL trust fund are expected to be received by the trust fund within a reasonable time period; and
- (2) With the approval of the Governor, allowing the exception is in the best interests of the State and will not impede the financial obligations of the State.

Testimony in support of this measure was submitted by two state agencies and two organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure would expedite the construction of affordable homes and allow the Department of Hawaiian Home Lands to operate similarly to private sector developers, who maximize revenues through cash flow management and may proceed with construction projects with only the funds necessary for a particular phase of a project.

Your Committees further find that granting an exception to the Department of Hawaiian Home Lands would ultimately benefit individuals on DHHL's waiting lists to purchase and occupy affordable homes, and would also increase construction employment opportunities in the State.

Your Committees have amended this measure by changing the effective date from July 1, 2020, to July 1, 2009.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1015, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1015, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 3 (Takamine, Tsutsui, Hemmings).

**SCRep. 1017 Public Safety and Military Affairs on H.B. No. 358**

The purpose of this measure is to promote the rehabilitation of convicted drug offenders through alternatives to incarceration by authorizing the placement of certain drug offenders in secure drug treatment facilities.

Testimony in support of this measure was submitted by one private organization and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that providing convicted drug offenders with drug rehabilitation programs in a secure drug treatment facility will reduce the convicted drug offender's rate of recidivism upon release and also help convicted drug offenders develop an important and meaningful role in society. Your Committee also finds that a secure drug treatment facility will create an inspirational environment that is more conducive to successful drug rehabilitation than is currently provided in the environments of many other traditional drug rehabilitation programs.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 358, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1018 Public Safety and Military Affairs on H.B. No. 1713**

The purpose of this measure is to authorize the Governor to enter private property to mitigate situations deemed hazardous to the health and safety of the public, following appropriate notice procedures to the owner and occupier.

Testimony in support of this measure was submitted by one private organization and five individuals. Comments on this measure were submitted by one state agency and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will allow the State to prevent hazardous situations on private property, such as falling trees or branches, unstable rock and soil, and clogged streams and waterways, that may pose a significant risk of harm to adjoining landowners and the general public when property owners fail to properly maintain their properties. Your Committee also finds that preserving previously appropriated funds to reduce or minimize the hazardous situations identified in this measure is vital to provide the appropriate state agencies with the moneys to mitigate hazardous situations.

Your Committee has amended this measure by:

- (1) Increasing the Governor's five day notice requirement to the landowner and occupier of private property before entering on the private property to a ten day notice requirement;
- (2) Extending the lapsing date for the remaining unexpended appropriations granted under Act 78, Session Laws of Hawaii 2007, from June 30, 2009, to June 30, 2010. Act 78 appropriated funds in response to the Kiholo Bay earthquake disaster that occurred on October 15, 2006;
- (3) Adding dangerous trees or branches that pose a falling hazard to the list of situations that are hazardous to the health and safety of the public and that the Governor is authorized to mitigate; and
- (4) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1713, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1019 (Majority) Public Safety and Military Affairs on H.B. No. 556**

The purpose of this measure is to provide payment of up to an unspecified monetary amount per veteran, under the Veterans' Burial Grant Program, directly to a mortuary or crematory to:

- (1) Provide funeral and burial services at the request of a qualifying deceased Filipino veteran's survivor or an interested party; and
- (2) Transport the veteran's remains to the Philippines, upon the submission of a contract for services.

Your Committee received testimony in support of this measure from Office of Veterans Services. Written testimony presented to the Committee may be reviewed on the Legislature's website.

A Filipino veteran of the New Filipino Scouts who enlisted between October 6, 1945, and June 30, 1947, who died after June 30, 2004, and who was, at the time of the veteran's death, a United States citizen and a resident of the State of Hawaii, is presently entitled to receive a burial grant from the Office of Veterans Services. To qualify for this burial grant, however, the Filipino veteran's survivor or an interested party must produce an itemized paid invoice showing that the specific services were rendered. However, because of the tremendous upfront costs associated with funeral and burial services as well as transportation to the Philippines, some World War II Filipino veterans, and their families and friends, cannot afford to pay for these activities in advance. Consequently, they will not be able to qualify for these burial grants from the Office of Veterans Services. This measure provides burial grant funds to pay for funeral and burial services and to transport the remains of the person to the Philippines, and establishes procedures for the disbursement of these funds.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 556, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (Bunda, English, Gabbard).

**SCRep. 1020 Public Safety and Military Affairs on H.B. No. 685**

The purpose of this measure is to:

- (1) Allow the State Fire Council to employ an administrator and administrative assistant with specified responsibilities; and
- (2) Clarify that the budget of the State Fire Council is included in the budget of the Department of Labor and Industrial Relations.

Your Committee received testimony in support of this measure from several government entities and one community group. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The State Fire Council, comprised of the four county Fire Chiefs, was created in 1979 to replace the State Fire Marshal's Office, which was a fully-funded state agency. Under the present organization, the Council primarily uses county fire department personnel to accomplish council duties. These duties include, among other things, amending and adopting the state fire code, pursuing and administering federal grants, and implementing and administering a statewide Reduced Ignition Propensity Cigarette Program. Presently, the Council's staff consists of only one part-time person funded by the State Department of Labor and Industrial Relations, to which the Council is administratively attached.

In addition, the State Fire Council is a member of the State Building Code Council and participates in the state building code adoption process; coordinates statewide fire training and data collection; and corresponds with national organizations on statewide fire issues. This measure would greatly increase the Council's productivity and benefit communities and fire departments statewide.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 685, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Gabbard).

**SCRep. 1021 Public Safety and Military Affairs on H.B. No. 954**

The purpose of this measure is to ensure that federal fund reimbursements for eligible disaster repair projects and disaster management costs received by the State of Hawaii Department of Defense are not subject to lapsing.

Specifically, this measure requires the Director of Finance to establish a major disaster reserve trust fund, which may include subaccounts and any other trust funds or accounts, to be administered by the Director of Civil Defense and whereby any federal fund reimbursements to the State may be held for later use.

Testimony in opposition of this measure was submitted by one state agency. Comments on this measure were submitted by two state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the establishment of a major disaster reserve trust fund outside of the state treasury will provide the Director of Civil Defense with the discretion to expend moneys in the fund to cope with the effects of a natural disaster or other unforeseen emergencies that the Director considers significant or necessary to protect the people of Hawaii. The fund also provides the Director of Civil Defense with the discretion to invest the principal in an interest bearing account, as determined by the Director to be appropriate and suitable.

Your Committee has amended this measure by changing the effective date from July 1, 2020, to July 1, 2010.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 954, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 954, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1022 Public Safety and Military Affairs on H.B. No. 413**

The purpose of this measure is to promote the rehabilitation of nonviolent individuals with drug-related convictions through alternatives to incarceration and to help the drug-related offenders return to society by establishing and expanding drug treatment and reintegration programs.

Testimony in support of this measure was submitted by seven private organizations and five individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the establishment of a community transitional program for nonviolent offenders will reduce the cost of incarceration. Your Committee believes that participation in an in-facility residential drug abuse program will decrease the likelihood of recidivism and drug abuse relapses.

Your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 540, S.D. 2, which is the Senate version of this program; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 413, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 413, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1023 Public Safety and Military Affairs on H.B. No. 1152**

The purpose of this measure is to:

- (1) Require the Department of Public Safety to establish one or more non-interest-bearing accounts with one or more financial institutions to maintain the funds of inmates during incarceration;
- (2) Allow inmates to use their own funds for approved expenses and purchases during incarceration; and
- (3) Authorize the Director of Public Safety to designate a percentage of all funds earned by the inmate to be deposited and held in a non-spendable account to provide funds to the inmate upon release from custody.

Testimony in support of this measure was submitted by one state agency. Testimony in opposition of this measure was submitted by three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Public Safety needs authorization to provide inmates with one or more non-interest-bearing accounts during the inmate's incarceration to appropriately transfer and safeguard the correct amount of money in an inmate's spendable and non-spendable accounts. Your Committee also finds that clarification is needed to ensure that any funds held by the Department of Public Safety for the benefit of an incarcerated inmate are not to receive interest of any kind at any time during the inmate's incarceration.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2030; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1024 Public Safety and Military Affairs on H.B. No. 1568**

The purpose of this measure is to assist the Hawaii Chapter of the American Red Cross in its disaster preparedness efforts by appropriating funds that are to be expended by the Department of Defense for various capital improvements to the Oahu headquarters and four neighbor island offices of the American Red Cross.

Testimony in support of this measure was submitted by two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Chapter of the American Red Cross renders various forms of aid to victims of natural disasters in Hawaii solely through the efforts of volunteers and charitable contributions. The Hawaii Chapter also teaches approximately thirty-five thousand people each year on disaster preparedness. Your Committee also finds that having the State of Hawaii assist the Hawaii Chapter of the American Red Cross with funding for much needed capital improvement projects on Oahu and four neighbor islands will improve the quality of the relief efforts that are provided by the Hawaii Chapter and also ensure the safety of the services they give to the people of Hawaii each year.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1568, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1568, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1025 (Joint) Public Safety and Military Affairs and Tourism on H.B. No. 994**

The purpose of this measure is to appropriate funds for the State to apply for a spaceport license from the Federal Aviation Administration for the purposes of increasing tourism and stimulating technology development.

Your Committees received testimony in support of this measure from three private organizations and one former Governor of the State. Testimony in opposition to this measure was received from one individual. Testimony with comments on this measure was received from one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that market studies have shown that space tourism has the potential to become a billion-dollar industry over the next ten years. Your Committees further find that additional applications for rocket technologies, including the launch of satellites and scientific payloads into sub-earth and low-earth orbits, research and educational functions, and long distance suborbital transport have great commercial potential. Your Committees note that Hawaii's geographic position makes this State especially well-suited for both commercial and tourism applications of rocket technology. Your Committees find that development of a spaceport will enrich Hawaii's tourism offerings while also contributing to the development of a diversified economy that includes scientific, commercial, and educational sectors.

Your Committees have amended this measure by revising its funding structure to appropriate \$250,000 out of the Airport Revenue Fund and \$250,000 out of the Tourism Special Fund so that no general revenue funds are required for the implementation of this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 994, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 994, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Bunda, English, Gabbard, Tsutsui, Slom).

**SCRep. 1026 (Joint) Economic Development and Technology and Commerce and Consumer Protection on H.B. No. 984**

The purpose of this measure is to implement recommendations of the Hawaii Broadband Task Force to develop the State's broadband access and infrastructure.

Specifically, this measure:

- (1) Establishes the Hawaii Communications Commission and the Hawaii Communications Commissioner within the Department of Commerce and Consumer Affairs;
- (2) Transfers regulatory functions relating to telecommunications providers from the Public Utilities Commission to the Hawaii Broadband Commissioner while authorizing the Public Utilities Commission to continue exercising its authority until July 1, 2010;
- (3) Transfers regulatory functions relating to cable operators from Department of Commerce and Consumer Affairs to the Hawaii Communications Commission;
- (4) Establishes the Hawaii communications commission special fund into which will be deposited penalties collected by the Hawaii Communications Commission to fund the operations of the Hawaii Communications Commission;
- (5) Requires Department of Commerce and Consumer Affairs to transfer four positions to service the Hawaii Communications Commission and requires up to ten additional general funded positions to be transferred to the Hawaii Communications Commission and funded from the Hawaii communications commission special fund;
- (6) Requires the Hawaii Communications Commission to convene a working group to develop procedures for streamlined regulatory, franchising, and permitting for broadband service and technology and to report its findings to the Legislature by January 1, 2010;
- (7) Requires the Hawaii Communications Commission to begin implementing the recommendations of the working group by July 1, 2010;
- (8) Requires the Hawaii Communications Commission to review Hawaii's laws relating to broadband and related subjects, and recommend amendments of these laws to conform to the new Hawaii Communications Commission requirements, or to facilitate implementation of those requirements;
- (9) Extends by one year, to July 1, 2011, the time by which the Hawaii Communications Commission must investigate the extent to which telecommunications services provided to residential and business customers are available from multiple providers in Hawaii and whether to reclassify those services as "fully competitive" communications services;
- (10) Exempts telecommunication carrier rates, fares, and charges, and the classifications, rules, and practices implementing such rates, fares, and charges from regulation by the Hawaii Communications Commission;
- (11) Extends the time period for which a cable franchise may be held without requiring renewal from fifteen to twenty years;
- (12) Provides that the regulation of telecommunications carriers and telecommunications common carriers contained in section 2 of this measure will take effect on July 1, 2010; and
- (13) Ensures that the Public Utilities Commission will continue its regulation of telecommunications until the Hawaii Communications Commission takes over.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, Hawaiian Telecom, Akaku Maui Community Television, Permaculture Maui, and five hundred ninety-three concerned individuals. Testimony in opposition of this measure was submitted by Time Warner Telecom. Comments on this measure were submitted by the Broadband Taskforce, AT&T, Verizon Communications, Oceanic Time Warner Cable, Community Media Producers Association, Connected Nation, and two concerned individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that communications technologies of telecommunications, cable, and broadband have become increasingly intertwined, such that advances in any one technology have important ramifications for the others. Your Committees also find that a unified approach to regulating providers of these services is required. Your Committees further find that this measure will enable the consolidated regulation of cable and telecommunications while promoting the growth and development of broadband infrastructure throughout the State. Your Committees believe that expanded access to affordable broadband will facilitate greater economic and educational opportunities for individuals and businesses in the State.

Your Committees have amended this measure by:

- (1) Deleting its contents and replacing it with the contents of S.B. No. 1680, S.D. 2;



- (2) Adding the phrase “as permitted by federal law” in section -7(b), relating to the general powers of the commissioner to ease the concerns raised by various industry representatives regarding the sharing of infrastructure, which is generally prohibited by federally law;
- (3) Amending section -13 regarding the notice requirements for investigations by the Hawaii Broadband Commissioner and public hearings;
- (4) Amending subsection (a) in section -20 to require a portion of the funds in the commissioner special fund to develop and construct broadband infrastructure and services available to low-income and disadvantaged persons;
- (5) Adding subsection (d) to section-20 to authorize the transfer of unexpended franchise fees to the commissioner special fund;
- (6) Deleting the number of members of the Communications Advisory Committee as discussed in section-22, as well as the requirement for certain entities to submit a list of names to the Governor for appointment to the Communications Advisory Committee;
- (7) Amending section -38 regarding the regulation of telecommunication carrier rates and ratemaking procedures;
- (8) Changing the fund that the Hawaii Broadband Commissioner may use to purchase broadband facilities and services from the compliance resolution fund to the commissioner special fund;
- (9) Amending the type of personnel positions that the Hawaii Broadband Commissioner may appoint and employ;
- (10) Adding a section -54 to clarify the State’s local exchange intrastate services as being classified as “fully competitive”;
- (11) Amending section -67(f) regarding public, educational, or governmental use (PEG) channels to decrease the number of channels that the cable operator shall designate and activate for public, educational, or governmental use from five channels to three channels;
- (12) Amending subsection (j) in section-67 to exempt PEG access service contracts from the requirements of chapter 103D, Hawaii Revised Statutes;
- (13) Adding in section -67 that the Hawaii Broadband Commissioner is subject to the conditions and procedures contained in chapter 91, Hawaii Revised Statutes, in designating and selecting PEG access organizations;
- (14) Adding a section -76 that provides the Hawaii Broadband Commissioner with the authority to contract with service providers to develop broadband inventory maps, as permitted by federal law;
- (15) Amending section 58 to address the concerns of the Department of Budget and Finance, the Department of Human Resources Development, and the Department of the Attorney General, regarding the transfer of employee positions to the Hawaii Broadband Commissioner;
- (16) Changing the effective date from July 1, 2020, to July 1, 2050; and
- (17) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 984, H.D. 4, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 984, H.D. 4, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 1027 Labor on H.B. No. 982**

The purpose of this measure is to establish a web-based, family leave data collection system to gather and analyze family caregiving data for public and private-sector employees, which will be used for the future development and implementation of an efficient state family leave system.

Testimony in support of this measure was submitted by one state agency and three organizations. Testimony in opposition to this measure was submitted by two state agencies, one organization, and one individual. Comments were submitted by one organization. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that there is a growing need for family caregivers as the population of elderly with physical, mental, and other needs increases. Your Committee further finds that family caregivers often incur significant reductions in work hours and make many other work-related sacrifices to serve as caregivers.

Your Committee believes that more research is necessary to determine the number of people who might participate in a family leave system and the feasibility, operational details, and benefits of the system.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 982, H.D. 3, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1028 (Joint/Majority) Labor and Education and Housing on H.B. No. 541**

The purpose of this measure is to ensure that civil service benefits for Department of Education civil service employees are the same as those provided to civil service employees of other executive branch agencies.

Testimony in support of this measure was submitted by one state agency and one organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure provides Department of Education civil service employees and other state executive branch civil service employees the opportunity to transfer across jurisdictions while retaining certain benefits and rights.

Your Committees recognize that this measure raises several concerns. Accordingly, your Committees have retained the July 1, 2020 effective date and will continue discussions to adequately address those concerns before examination of the fiscal implications of the measure.

As affirmed by the records of votes of the members of your Committees on Labor and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 541, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Ayes with Reservations, 1 (Slom). Noes, 1 (Hemmings). Excused, 4 (Bunda, Chun Oakland, Hee, Tsutsui).

**SCRep. 1029 (Joint) Health and Labor on H.B. No. 690**

The purpose of this measure is to expand access to health insurance by requiring insurers to offer certain part-time employees the same group health care coverage offered to their co-workers who are regular employees, without the employer having to pay any portion of the premium.

Your Committees received testimony in support of this measure with amendments from the Hawaii Medical Service Association. Testimony in support of this measure with reservations was submitted by the Department of Commerce and Consumer Affairs and Kaiser Permanente. Comments on this measure were submitted by the Health Association of Health Plans and The Chamber of Commerce of Hawaii.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that it is important to reduce the number of uninsured workers in Hawaii while minimizing the impact on employers. However, there are concerns that allowing part-time employees the option of purchasing coverage will produce adverse selection in which the covered group of voluntary participants will mostly include those who use more health care. This is because many voluntary participants may choose not to purchase health coverage unless they actually need health care services. The premiums for this pool of voluntary participants are therefore likely to be higher than for mandatory pools with a more balanced mix of both healthy participants who use fewer health services and the less healthy who use more services.

Your Committees have amended this measure by:

- (1) Authorizing group health insurers to limit periods of enrollment for part-time employees to a minimum of thirty calendar days; provided that:
  - (A) Part-time employees who experience a qualifying event shall enroll with a group health insurer within thirty days of the qualifying event; and
  - (B) Group health insurers shall be allowed to impose a one-year waiting period against part-time employees who terminate coverage for any reason. If a part-time employee terminates coverage and a one-year waiting period is imposed against the employee, a group health insurer need not reenroll the employee until the period of enrollment following the one-year waiting period; and
- (2) Inserting the definition of "qualifying event" to mean the date on which the part-time employee has been continuously employed by a single employer for a period of eighteen months.

As affirmed by the records of votes of the members of your Committees on Health and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 690, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 690, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 3 (Bunda, Hee, Hemmings).

**SCRep. 1030 Health on H.B. No. 1362**

The purpose of this measure is to establish a licensure program for genetic counselors within the Department of Commerce and Consumer Affairs to ensure that individuals seeking genetic counseling receive the highest degree of quality services and professional conduct from licensed genetic counselors. The measure also provides penalties for non-compliance.

Your Committee received testimony in support of this measure from Kapiolani Medical Center and the Kapiolani Neonatal Intensive Care Unit Team. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that genetic counselors are a vital part of the health care team that provides care to individuals throughout their lifespan. Although, a sunrise review was conducted by the Auditor, your Committee finds that the market for genetic counseling is increasing and this measure should move forward in order to protect the public from persons who are unauthorized and untrained to perform these services and to ensure that genetic counseling services are provided by highly trained professionals.

Your Committee further finds that the Department of Health is in the best position to license genetic counselors. The operating costs would be less for the Department of Health than for the Department of Commerce and Consumer Affairs because the Department of Health has an existing genetics program which has been in effect for fifteen years. In addition, the Department of Health currently licenses other health professionals, such as radiology technicians, dietitians, clinical laboratory directors, medical technologists, clinical laboratory specialists, cytotechnologists, and medical laboratory technicians, because of its specialized expertise.

Accordingly, your Committee has amended this measure by:

- (1) Replacing the Department of Commerce and Consumer Affairs with the Department of Health; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1362, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1031 Health on H.B. No. 1378**

The purpose of this measure is to increase access to health care by:

- (1) Allowing insurers, mutual and fraternal benefit societies, and health maintenance organizations to recognize advanced practice registered nurses as primary care providers;
- (2) Requiring participating providers to recognize advanced practice registered nurses as primary care providers;
- (3) Increasing advanced practice registered nurses' signature and prescriptive authorities; and
- (4) Making the Board of Nursing, rather than the Hawaii Medical Board and the Joint Formulary Advisory Committee, responsible for the oversight of the prescriptive authority of advanced practice registered nurses.

Your Committee received testimony in support of this measure from Kaiser Permanente, Hawaii Primary Care Association, Healthcare Association of Hawaii, Hawaii State Center for Nursing, Hawaii Government Employees Association, the University of Hawaii System, Occupational Therapy Association of Hawaii, AARP, and the Lanai Women's Center. Testimony in support of this measure with amendments was submitted by the Hawaii Association for Professional Nurses, Walgreens, and Hawaii Medical Service Association. The Board of Nursing supports this measure with reservations. Testimony in opposition to this measure was submitted by the Hawaii Medical Association. Comments on this measure were submitted by the Department of Public Safety, Department of Human Services, the Hawaii Medical Board, and the Hawaii Association of Health Plans. The Disability and Communication Access Board provided comments and amendments to this measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that authorizing advanced practice registered nurses to be recognized as primary care providers with signature and prescriptive authority will help to alleviate the shortage of health care providers across the State by providing access to quality clinicians.

Your Committee notes that it has worked in conjunction with insurers, health plans, the nursing school, the Center for Nursing, and the Board of Nursing to address the concerns raised by stakeholders regarding this measure. Accordingly, your Committee has amended this measure by:

- (1) Removing its contents and replacing it with language from S.B. No. 1045, S.D. 2; and
- (2) Inserting language that provides for advanced practice registered nurse recognition by endorsement provided that:
  - (A) The person applying is licensed as a registered nurse in this State; and
  - (B) All nurse licenses, recognitions and prescriptive authorities or similar designations held by the person under the laws of this State, another state, or United States territory are unencumbered and if the originating state's requirements were equal to or greater than the Board of Nursing's advanced practice registered nurse requirements which were in effect prior to October 1, 2009. The advanced practice registered nurse shall be eligible to renew that recognition as an advanced practice registered nurse; provided that all nurse licenses, recognitions and prescriptive authorities or similar designations held by the person in this State, another state or United States territory are unencumbered; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Green). Noes, none. Excused, 1 (Hemmings).

**SCRep. 1032 Health on H.B. No. 1379**

The purpose of this measure is to ensure a person's wishes regarding end-of-life care are followed by allowing for the use of a standardized physician orders for life sustaining treatment form that states an individual's wishes regarding end-of-life treatment in all pre-hospital and health care settings.

Your Committee received testimony in support of this measure from the Department of Health, the City and County of Honolulu Emergency Services Department, the Healthcare Association, and Kokua Kalihi Valley. Testimony in opposition to this measure was submitted by the Hawaii Health Systems Corporation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that emergency services personnel are mandated by law to attempt resuscitation unless the person has a state issued comfort care only, do not resuscitate bracelet or necklace. However, these bracelets are only issued to individuals who have a terminal condition. Many community members mistakenly believe that their advanced health care directive or living will is enough to prevent an unwanted attempt at resuscitation by emergency responders.

Your Committee further finds that this measure is not intended to impose mandates on hospitals to accept the "physicians orders for life sustaining treatment" form. Acceptance of the form is discretionary and reports have shown that even without mandates, eighty-five per cent of facilities honor the "physicians orders for life sustaining treatment" form.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2009; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1379, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1033 Health on H.B. No. 28**

The purpose of this measure is to prohibit the sale of dead human bodies, including human bodies or remains that have been plastinated through the use of polymers, and to raise the monetary penalty for the sale of a dead human body or the giving, offering, or promising of consideration for a dead human body from \$1,000 to \$5,000.

Your Committee received testimony in support of this measure from several individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the phrase "death recently occurred" in the proposed definition of "dead human body" may be too vague to allow clear understanding and proper enforcement of the prohibition.

Your Committee further finds that this measure may conflict with the current provisions of section 327-16, Hawaii Revised Statutes.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to encourage further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 28, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 28, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1034 Health on H.B. No. 694**

The purpose of this measure is to authorize the Hawaii Health Systems Corporation and the Maui Regional System Board to remove the Maui Regional Health Care System and its facilities from Hawaii Health Systems Corporation by transferring regional assets to a legal entity that will finance and continue to provide health care services to Maui provided that:

- (1) The transfer is to a legally constituted entity that is financially capable, independent of Hawaii Health Systems Corporation, of continuing to provide the same level of health care services currently provided by the System; and
- (2) The transfer relieves Hawaii Health Systems Corporation of all debts, obligations, and liabilities of the System.

Your Committee received testimony in support of this measure from the Maui Memorial Medical Center. Testimony in opposition to this measure was submitted by the Hawaii Government Employees Association and United Public Workers. Comments on this measure were submitted by the Hawaii Health Systems Corporation.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the management and operation of the State's public health facilities under the custody and supervision of the Hawaii Health Systems Corporation since the creation of the Corporation in 1996 has been unsuccessful. Your Committee believes that the basic structure for operating the public health facilities, which are critical for the health and well being of all residents of the

State, needs to be altered to authorize any regional system or individual facility to transition to a nonprofit corporation, for-profit corporation, a municipal facility, a public benefit corporation, or other combination of these entities.

Your Committee has amended this measure by deleting its contents and inserting language that:

- (1) Authorizes any of the regional systems or individual facilities of the Hawaii Health Systems Corporation to transition into a new legal entity;
- (2) Requires each regional system board and each community hospital under the jurisdiction of the Corporation to collaborate with community health centers within their respective geographic jurisdictions to maximize funding from the State and federal governments;
- (3) Requires that any plan to substantially reduce or eliminate any direct patient care services at a facility first be presented to the regional system board for approval, and then presented to the community at an informational hearing for community input;
- (4) Requires the Corporation and each regional system board to notify the President of the Senate, the Speaker of the House of Representatives, and Chairperson of the respective subject matter committee for health in each house of the Legislature within thirty days of any substantial reduction or elimination of direct patient care services;
- (5) Requires the Department of Health, on July 1, 2009, to assume the total amount of all liabilities and debts or other obligations of the Hawaii Health Systems Corporation that had been accrued up to June 30, 1996, by the community hospitals while they were operating within the Division of Community Hospitals of the Department of Health;
- (6) Requires the Hawaii Health Systems Corporation to bear the sole responsibility for assuming all liabilities and debts or other obligations accrued beginning on July 1, 1996, and thereafter, by the community hospitals operating within the Hawaii Health Systems Corporation;
- (7) Establishes that the Hawaii Health Systems Corporation shall bear sole responsibility for making all appropriate employer payments into funds of the Employees' Retirement System under chapter 88, Hawaii Revised Statutes, beginning on July 1, 1996, and continuing thereafter;
- (8) Requires commercial health plans to provide a minimum reimbursement level of no less than one hundred and one per cent of the costs for all services provided to plan beneficiaries by critical access hospitals; and
- (9) Makes the measure take effect on July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 694, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 694, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1035      Health on H.B. No. 895**

The purpose of this measure is to deter the use of tobacco products other than cigarettes, including smokeless tobacco, snuff, cigars, and pipe tobacco, by:

- (1) Increasing the tobacco tax on such products from forty per cent to eighty per cent of the wholesale price; and
- (2) Requiring that a percentage of the proceeds collected be deposited into the community health centers special fund.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association, the Coalition for a Tobacco-Free Hawaii, the American Lung Association, the United Filipino Council of Hawaii, the Asian America Network of Cancer Awareness Research, the Filipino American Citizens League, Filipino Coalition for Solidarity, the Filipinos for Affirmative Action, Nursing Advocates & Mentors Inc., and the Oahu Filipino Community Council. Testimony in opposition to this measure was submitted by the Department of Taxation and the Cigar Association of Hawaii. Comments and amendments on this measure were offered by the Tax Foundation of Hawaii. The American Heart Association and the American Cancer Society support this measure with amendments. Comments on this measure were submitted by the Department of Budget and Finance.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that tax increases on tobacco products have proven to be an effective means of reducing youth consumption of tobacco. To ensure that tobacco products are taxed at rates comparable to cigarette taxes, the tax on tobacco products should gradually increase.

Your Committee further finds that a portion of the tax revenues generated from tobacco products should be used for tobacco prevention programs.

Accordingly, your Committee has amended this measure by:

- (1) Increasing the excise tax on tobacco products to eighty-five per cent on September 30, 2009, ninety-five per cent on September 30, 2010, and one hundred five per cent on September 30, 2011;
- (2) Requiring that a percentage of the amount of tax collected on tobacco products be deposited to the credit of the Hawaii tobacco prevention and control trust fund established pursuant to section 328L-5, Hawaii Revised Statutes, and the health systems special fund pursuant to section 323F-21, Hawaii Revised Statutes, in addition to the community health centers special fund;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on this matter; and

- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 895, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 895, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1036 Health on H.B. No. 1175**

The purpose of this measure is to generate general fund revenues by increasing the cigarette tax from 10 cents to 20 cents per cigarette, beginning July 1, 2009.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association, the American Heart Association, the American Lung Association and the Coalition for a Tobacco-Free Hawaii. Testimony in support of this measure with amendments was submitted by the American Cancer Society. Testimony in opposition to this measure was submitted by the Department of Taxation. Comments on this measure were submitted by the Tax Foundation of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is a one-time tax increase that replaces the current yearly tax increase which puts the per-cigarette tax at 13 cents by September 30, 2011.

Your Committee further finds that a portion of the revenues collected from the cigarette tax should be used for tobacco prevention programs.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that provides for a percentage of the remaining amount of tax collected pursuant to section 245-3(a)(8), Hawaii Revised Statutes, to be deposited to the credit of the Hawaii tobacco prevention and control trust fund established pursuant to section 328L-5, Hawaii Revised Statutes; and
- (2) Changing the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1175, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Espero). Noes, none. Excused, 1 (Hemmings).

**SCRep. 1037 Economic Development and Technology on H.B. No. 254**

The purpose of this measure is to promote competition in the telecommunications marketplace by requiring the Public Utilities Commission to treat land-line phone services as "fully competitive" with regard to costs, rates, and pricing, in essence deregulating these phone services to bolster competition with other forms of telecommunications.

Testimony in support of this measure was submitted by Hawaiian Telcom and The Chamber of Commerce of Hawaii. Testimony in opposition of this measure was submitted by Time Warner Telecom. Comments on this measure were submitted by the Public Utilities Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that advances in technology make wireless and Voice over Internet Protocol (VIP) telephone services a reasonable substitute for traditional land line, or switched access, service for many consumers. Your Committee also finds that this measure will help to create a level playing field for telecommunications service providers, including wireless and VIP providers who are not currently regulated by the Public Utilities Commission. However, many consumers, especially low-income consumers and those in remote areas, remain dependent on switched access. Your Committee further finds that important services, such as lifeline telephone rates, carrier of last resort services, and service quality standards remain essential to the operation of switched access providers.

Your Committee has amended this measure by:

- (1) Adding that a telecommunications carrier shall not be required to obtain approval to establish or modify its rates, fares, and charges, or to bundle any service offerings into a single price package;
- (2) Adding that the local incumbent exchange carrier, except upon obtaining commission approval, shall not charge any rate for a service above the rate in the carrier's filed tariff;
- (3) Exempting the application of this measure to retail or wholesale rates for services to end users or other telecommunication providers; and
- (4) Clarifying that this measure shall not modify any requirements of telecommunication carriers to provide lifeline telephone service, comply with carrier of last resort obligations, or comply with service quality standards.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 254, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 254, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1038 Health on H.B. No. 1636**

The purpose of this measure is to provide immunity from any civil liability to all physicians who render emergency medical care in a hospital.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the Healthcare Association of Hawaii, the Queen's Medical Center, Hawaii Emergency Physicians Associated, Inc., and the Hawaii Medical Association. Testimony in opposition of this measure was submitted by the Hawaii Association for Justice.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that proponents of this measure have argued that providing immunity to physicians from any civil liability will address Hawaii's shortage of emergency room physicians. However, your Committee finds that, according to The American College of Emergency Physicians report, *The National Report Card on the State of Emergency Medicine 2009*, Hawaii ranks number one in the nation in the number of board certified emergency medical doctors. A national shortage of emergency on-call specialists exists. The Hawaii specific data does not support the contention that these specialists are leaving Hawaii to work in one of the few states that have implemented a version of tort reform.

Your Committee is concerned that on-call physicians who provide emergency medical care are consistently over-worked because of the shortage. However, the measure does not include a provision that would provide protection for patients who are cared for in this precarious situation.

Your Committee further finds that the measure is overly broad as written in that it allows for complete immunity from civil liability for negligent acts or omissions of any physician who provides emergency medical care to a person with a "serious bodily injury". "Serious bodily injury" could include the majority of patients admitted to a hospital; therefore, expanding immunity beyond that which addresses the specific issue of on-call emergency medical care shortages.

Your Committee finds that physicians in private practice who volunteer to serve on-call, with or without compensation, to assist hospital staff physicians provide critical medical services to the public. A more effective way of addressing the shortage of these physicians is to ensure that they are not penalized for their voluntary participation by finding it more difficult or expensive to obtain and maintain professional errors and omissions liability insurance coverage solely because they voluntarily participate on hospital on-call panels.

Accordingly, your Committee has amended this measure by replacing its contents with language that:

- (1) Prohibits the use of a physician's on-call status from being considered for any purpose, including the solicitation, application, underwriting, and issuance of insurance coverage, and the setting of premium rates, discounts, rebates, and the renewal or cancellation of insurance coverage; and
- (2) Changes the effective date to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1636, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1636, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Ayes with Reservations, 2 (Espero, Nishihara). Noes, none. Excused, none.

**SCRep. 1039 Human Services on H.B. No. 819**

The purpose of this measure is to mandate that minors 15 to 17 years of age be tried as adults in cases of first and second degree murder, and provides for discretionary remand of the minor in specified cases.

Testimony in support of this measure was submitted by the Office of the Governor, the Honolulu Police Department, the Hawaii Rifle Association and sixty-five individuals. Testimony in opposition was submitted by the Office of the Public Defender and the American Civil Liberties Union. Written testimony presented to your Committee may be reviewed on the Legislature's website.

This measure is in response to the prosecution of Karen Ertell's murderer. In 2007, Karen Ertell was robbed, brutally raped, and murdered, and a fifteen year old boy later confessed to the crime. It took fifteen months for the family court to determine that the accused murderer should be tried as an adult. Your Committee finds that providing an accelerated judicial process for prosecuting accused murderers will bring closure more quickly for the victims' families. This measure provides mechanisms for remand from circuit court to family court in situations where the minor's rehabilitation would be impaired by circuit court jurisdiction or where the minor is to be committed. Your Committee believes that, under circumstances where a fifteen to seventeen year old commits the heinous act of first or second degree murder, the laws that protect children from the full force and penalties applicable to adults should not be available to be utilized as shields.

Your Committee has amended this measure by:

- (1) Changing the measure to be effective on January 1, 2010; and
- (2) Making technical, nonsubstantive changes for the purposes of style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 819, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 819, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1040 (Majority) Economic Development and Technology on H.B. No. 1405**

The purpose of this measure is to maximize the State's ability to capture taxes owed by out-of-state taxpayers by adopting statutory changes that will allow Hawaii to participate in the Streamlined Sales and Use Tax Agreement.

Specifically, this measure clarifies that the term "engaging," as used in reference to practicing a business, includes the sale of tangible personal property by a person soliciting business through an independent contractor or other representative, provided that the cumulative gross receipts from sales by the person to customers in the State of Hawaii who are referred to the person is at least \$10,000 in the 12-month period ending on the last day of the most recent calendar quarter before the calendar quarter in which the sale is made.

Testimony in support of this measure was submitted by the Department of Taxation and one concerned individual. Testimony in opposition of this measure was submitted by Legislative Information Services of Hawaii, Internet Alliance, Amazon.com, Direct Marketing Association, and Synertech Media LLC. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in the State's current economic crisis it is imperative that legislators attempt to seek out as many new sources of revenues as is possible. Your Committee also finds that the enactment of legislation to adopt the Streamlined Sales and Use Tax Agreement will provide the State with a tremendous amount of new tax revenues over the next ten years that would erase the State's current fiscal deficit and help to resolve the State's current economic crisis.

Your Committee has amended this measure by:

- (1) Deleting the contents of this measure and replacing it with the contents of S.B. No. 1680, S.D. 3, which implements legislation for the State to adopt the Streamlined Sales and Use Tax Agreement; and
- (2) Requiring all tax revenues collected under the streamlined sales and use tax revenues to be deposited in the state treasury to the credit of the University of Hawaii.

Your Committee notes that the title of this measure may be too narrow to incorporate the contents of the legislation for the adoption of the Streamlined Sales and Use Tax Agreement, however, your Committee finds that passing this measure to the Committee on Ways and Means will provide the Committee on Ways and Means with the opportunity to find a more appropriate and suitable measure for the legislation to adopt the Streamlined Sales and Use Tax Agreement.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1405, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 1041 Education and Housing on H.B. No. 183**

The purpose of this measure is to:

- (1) Authorize the Hawaii Teacher Standards Board to determine how it collects license fees; and
- (2) Authorize the Board to adopt, amend, repeal, or suspend its policies and standards.

Testimony in support of this measure was submitted by two government organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has replaced the contents of this measure with S.B. No. 497, S.D. 1, previously heard and approved by this Committee.

As amended, this measure:

- (1) Establishes an Advisory Committee to provide oversight of the Hawaii Teacher Standards Board and provide the Governor with lists of nominees for appointment to the Hawaii Teacher Standards Board, and requires an annual report of the Advisory Committee to the Board of Education and the Legislature;
- (2) Authorizes the Board to determine how it collects license fees; to adopt, amend, repeal, or suspend its policies and standards; and to hire an Executive Director;
- (3) Authorizes the Board to coordinate an effort that creates a data interface network to promote the free interchange of information among public and private Hawaii teacher education institutions and the Department of Education, and appropriates funds for the data network; and
- (4) Has an effective date of July 1, 2050, for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 183, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 183, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).



**SCRep. 1042 Education and Housing on H.B. No. 1686**

The purpose of this measure is to clarify aspects of the charter schools law by:

- (1) Eliminating the per-pupil method of funding for charter schools and requiring the charter schools to follow the same budgetary request process as other state agencies; and
- (2) Requiring the Charter School Administrative Office to submit a report of all means of financing with its budgetary request to the Director of Finance.

Testimony in support of this measure was submitted by one state agency. Seven state agencies, including schools, and seventeen individuals submitted testimony in opposition. Comments were submitted by three state agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has replaced the contents of this measure with S.B. No. 496, S.D. 2, a charter school measure previously heard in this Committee. Your Committee has also made additional amendments to S.B. No. 496, S.D. 2. While there are many comparable provisions in both measures, your Committee believes S.B. No. 496, S.D. 2, presents a more comprehensive approach.

As amended, this measure:

- (1) Requires a Charter School Board to comply with Board of Education policies and Department of Education directives regarding special education and federal programs;
- (2) Clarifies that the Charter School Review Panel is subject to the requirements of the sunshine law;
- (3) Authorizes the Board of Education to remove a Charter School Review Panel member for cause;
- (4) Requires the Charter School Review Panel to approve the charter schools budget, capital improvement projects, and recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs;
- (5) Clarifies that the budget request submitted by the charter schools shall include all anticipated means of financing;
- (6) Clarifies that the budget request shall include funding for the projected enrollment for each charter school for the next school year;
- (7) Specifies the duties of the Executive Director of the Charter School Administrative Office with regard to the preparation of the budget;
- (8) Clarifies that the salary of the Executive Director and staff shall not exceed two per cent of the total annual general fund allocation, at an amount to be determined by the panel;
- (9) Changes the requirements for the per-pupil funding, and leaving unspecified the amount the Department of Education may retain for administrative costs from charter schools federal funds;
- (10) Requires the Charter School Review Panel to evaluate a charter school on its fourth anniversary and every five years after; and
- (11) Makes the Act effective July 1, 2050, for the purposes of continuing discussion.

Your Committee also acknowledges the work of the Board of Education and the Charter Schools Review Panel in developing a Memorandum of Agreement to identify applicable policies and directives and federal and state laws.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1686, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 1043 Education and Housing on H.B. No. 1694**

The purpose of this measure is to ensure equitable public housing policies by:

- (1) Requiring the Hawaii Public Housing Authority to establish a minimum rent schedule and annually adjust the minimum rent, based on the Consumer Price Index;
- (2) Requiring the Authority to seek reimbursement from a tenant for the full cost incurred in repairing damages to the tenant's unit; and
- (3) Prohibiting preferences for tenant selection.

Testimony in support of this measure was submitted by one government agency and two individuals. Two private organizations and one individual submitted testimony in opposition. Comments were submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Public Housing Authority has not raised the minimum rents since 2001 for state family units and since 2005 for state elderly units. Your Committee has heard that the Authority is in support of the requirement that the minimum rents be based on number of bedrooms, and the annual process to raise the rents to meet expenses, based on the Consumer Price Index.

Your Committee further finds that the Authority currently seeks reimbursement for tenant-caused damages, and expects to increase the labor rate from \$11 per hour to \$35 per hour.

Previously, your Committee heard S.B. No. 1160, S.D. 1, which established assessments for common area expenses in state public housing projects, and has incorporated that concept in this measure as well.

Your Committee has amended this measure accordingly, by:

- (1) Authorizing the Hawaii Public Housing Authority to assess all units in a state public housing project for common area expenses; and
- (2) Deleting the prohibition on preferences for tenant selection.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1694, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1694, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1044 (Joint) Health and Human Services on H.B. No. 1371**

The purpose of this measure is to allocate a portion of federal funds received from the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, or other federal stimulus acts to finance increased Medicaid reimbursements, disproportionate share hospital payments, and the Hawaii Children's Health Care Program.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii, Hawaii Primary Care Association, Hawaii Government Employees Association, Catholic Charities of Hawaii, Faith Action for Community Equity, Hawaii Alliance for Retired Americans, AARP, and the Kupuna Caucus of the Democratic Party of Hawaii. Ho'ola Lahui Hawaii supports this measure with amendments. Testimony in opposition to this measure was submitted by the Department of Human Services. Comments on this measure were submitted by the Department of Health and the State Attorney General.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that current economic conditions are placing extreme financial burdens on many of the State's health and human services programs. This measure ensures that these essential programs receive the necessary funding to remain viable in order to protect the health and welfare of Hawaii residents.

Your Committees have amended this measure by:

- (1) Replacing the Department of Health with the Department of Human Services as the expending agency for appropriations for increased Medicaid reimbursements, disproportionate share hospital payments, and the Hawaii Children's Health Care Program;
- (2) Including appropriations for the following programs, services, and purposes:
  - (A) Community health centers for the uninsured;
  - (B) Respite services;
  - (C) Substance abuse treatment;
  - (D) Early intervention services;
  - (E) Domestic violence services;
  - (F) Healthy Start services;
  - (G) Hawaii Health Systems Corporation;
  - (H) Adult dental services;
  - (I) Aging and Disability Resource Center;
  - (J) Kupuna care;
  - (K) Immigrant Health Initiative program;
  - (L) Healthy Aging Partnership;
  - (M) Out-stationed eligibility workers;
  - (N) Developmental disabilities Medicaid waiver services;
  - (O) Mental health services; and
  - (P) Medicaid budget to cover the expected increase; and
- (3) Making a stylistic change for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1371, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1371, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1045 Human Services on H.B. No. 1354**

The purpose of this measure is to appropriate general revenue funds and Temporary Assistance for Needy Families funds to the Department of Human Services and the Department of Health for the Healthy Start and Enhanced Healthy Start programs to hire a child development or clinical specialist, fund provider training, address budgetary shortfalls, and implement recommended improvements.

Testimony in support of this measure was provided by Child and Family Service, Parents and Children Together, Catholic Charities Hawaii, Hawaii Family Forum, Good Beginnings Alliance, Hawaii Family Support Institute, and fifteen individuals. Testimony in opposition to this measure was provided by the Department of Human Services. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that in 2008, over ninety-nine per cent of families that were enrolled for twelve months or more in Healthy Start and Enhanced Healthy Start programs had no report of child abuse. Healthy Start works with families in which at least one parent is at substantial risk of abusing or neglecting a child. A stress checklist, developed using scientific data, determines the parental risk of child abuse and only those families with a high score are referred to Healthy Start. In 2008, Healthy Start served 4,000 families, with an estimated 520 children who were not abused because of the Healthy Start services. Healthy Start is a successful program, which has been replicated in thirty other states. In addition to home visits to prevent child abuse, Healthy Start ensures the family has a medical home, provides prenatal care for subsequent pregnancies, and performs developmental screenings for a high percentage of one and two year olds. Healthy Start and Enhanced Healthy Start address the problem of child abuse with effective and comprehensive programs, and work to break the cycle of abuse.

Your Committee has amended this measure by:

- (1) Including appropriation amounts for the maintenance of current Healthy Start support services;
- (2) Including an appropriation amount for the Enhanced Healthy Start program; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1354, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1354, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1046 Human Services on H.B. No. 1103**

The purpose of this measure is to conform State law to the federal Rehabilitation Act of 1978 in order to meet eligibility criteria for federal funding.

Testimony in support of this measure was provided by the Statewide Independent Living Council, Hawaii Centers for Independent Living, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to meet the requirements of the federal Rehabilitation Act of 1978, which conditions eligibility for federal funding of certain programs to the establishment of a statewide independent living council unattached to any governmental agency. Under current State law, the Statewide Independent Living Council of Hawaii exists within the Department of Human Services. Your Committee finds that this measure will effect the appropriate administrative adjustment to remove the Statewide Independent Living Council from the purview of a State agency in order to preserve State eligibility for federal funding.

Your Committee has amended this measure by making technical, nonsubstantive amendments to its language for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1103, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1047 Human Services on H.B. No. 1187**

The purpose of this measure is to establish a return-to-home program for the homeless, which would assist certain homeless in returning to their families in their home states.

Testimony in support of this measure was provided by one individual. Testimony in opposition to this measure was provided by Waianae Community Outreach. The Department of Human Services – Hawaii Public Housing Authority provided comments on this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure could help the homeless who have been stranded in Hawaii return to their families and homes and also potentially save the State money that it would otherwise spend on medical care, shelter, food, and other support for the homeless.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2046, to July 1, 2050; and
- (2) Making technical, nonsubstantive changes for purposes of style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1187, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1187, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1048 Economic Development and Technology on H.B. No. 1751**

The purpose of this measure is to help protect communication service providers by:

- (1) Establishing the offenses of communication service fraud in the first and second degrees; and
- (2) Providing civil remedies for communication service fraud.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and Oceanic Time Warner Cable. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that enacting civil remedies against perpetrators of communications service fraud will enable those communication service providers that are victimized to have a civil course of action against those perpetrators. Your Committee also finds that the establishment of the offense of communications service fraud in the first and second degrees will likely reduce the illegal use of the services provided by the communication service providers.

Your Committee has amended this measure by:

- (1) Placing the new civil remedies available to communication service providers against perpetrators of communication service fraud in a new chapter in title 36, Hawaii Revised Statutes, rather than as a new part in chapter 440G, Hawaii Revised Statutes, so that civil remedies available to the victims of communication service fraud are more far reaching to various types of communications; and
- (2) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1751, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1751, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1049 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1712**

The purpose of this measure is to require the Department of Land and Natural Resources (DLNR), in addition to the input the DLNR receives from the public at informational meetings, to consider and incorporate relevant data for rules adopted to regulate the taking of uhu, weke/moana kali, and ulua/papio.

This measure also directs DLNR to provide an appropriate monitoring and evaluation component to determine the effectiveness of rules adopted regarding the uhu, weke/moana kali, and ulua/papio fish stocks, and the effect that runoff, sedimentation, and other factors have on these fish population.

Testimony in support of this measure was submitted by three organizations and four public citizens. One public citizen provided comments. Testimony in opposition was submitted by one state agency, two organizations, and eleven public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that many in the fishing community have become disenchanted with DLNR's management of Hawaii's marine resources. Informational meetings conducted by DLNR for fishing rules have relied upon anecdotal evidence that has little justification to the fishing community, however, very little data is available about the status of Hawaii's fish stocks and how much fishing pressure they are able to sustain. This measure will ensure that DLNR uses public input from informational meetings, in addition to any available and relevant data on the fish stock. Your Committee believes that this measure will ensure that fishing rules adopted by DLNR address both the general public and the fishing community's concerns, and establishes monitoring programs to assist DLNR with future rulemaking.

Your Committee has amended this measure by:

- (1) Adopting the recommendations of the Nature Conservancy to require DLNR to include overharvesting in the monitoring and evaluation programs of the fish stocks;
- (2) Inserting the contents of S.B. No. 1, S.D. 1, relating to opihi, which was heard and adopted by your Committee, with amendments;
- (3) Inserting the contents of S.B. No. 378, S.D. 1, which establishes a fishing bag limit and size restrictions for Maui for uhu and goatfish, which was heard and adopted by your Committee; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1712, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1712, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 1050 (Majority) Higher Education on H.B. No. 347**

The purpose of this measure is to exempt the University of Hawaii and the Board of Regents from the requirements of the Hawaii Public Procurement Code, with certain exceptions.

Testimony in support was submitted by the University of Hawaii System, University of Hawaii at Manoa Athletics Department, and Hawaii Business Roundtable. The State Procurement Office; Sheet Metal Contractors Association; Air Central, Inc.; Subcontractors Association of Hawaii; and one individual submitted testimony in opposition. The American Council of Engineering Companies of Hawaii and American Public Works Association provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would give the University of Hawaii a temporary exemption from specified provisions of the Procurement Code. The University was previously provided with procurement exemptions from 1998 through 2004, and has requested similar provisions to expedite critical deferred maintenance and capital renewal projects on all its campuses.

Your Committee has heard a number of concerns raised regarding the exemptions, particularly when other state agencies must comply with procurement requirements. Your Committee had requested that the University and the State Procurement Office work to resolve their differences and focus on the very specific concerns that might be addressed in this measure. While these discussions are ongoing, your Committee finds there is some agreement regarding protested solicitations and awards and the related administrative proceedings for review.

Your Committee has amended this measure accordingly, by:

- (1) Deleting the exemption for the University Hawaii and the Board of Regents for all but part X of chapter 103D, section 103D-304, and chapter 104, Hawaii Revised Statutes;
- (2) Exempting the University and the Board from small purchase requirements of less than \$250,000;
- (3) Requiring the University and the Board to implement an electronic procurement system for procurements in excess of \$25,000; and
- (4) Exempting the University and the Board from the bid protest and hearings provisions of sections 103D-701(f) and 103D-709(e), Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 347, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 3 (Baker, Sakamoto, Taniguchi).

**SCRep. 1051 (Joint) Public Safety and Military Affairs and Energy and Environment on H.B. No. 1051**

The purpose of this measure is to ensure the Department of Business, Economic Development, and Tourism is equipped with the necessary tools to satisfactorily perform its energy emergency preparedness functions by:

- (1) Statutorily establishing the state energy emergency preparedness program's coverage of all forms of energy emergencies;
- (2) Detailing the types of information energy companies must submit to the State for energy emergency preparedness purposes;
- (3) Authorizing the Department of Business, Economic Development, and Tourism to compile and analyze information, including confidential information, to effectuate the State's role and responsibilities in energy emergency planning and preparedness, mitigation, response, and recovery; and
- (4) Requiring the Department of Business, Economic Development, and Tourism to comply with confidentiality requirements for information obtained for energy emergency preparedness purposes.

Testimony in support of this measure was submitted by one state agency and one private organization. Testimony in opposition of this measure was submitted by two private organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that when the Governor declares an emergency for this State it is vital to the protection of the people and safeguarding of property that the Department of Business, Economic Development, and Tourism receive, process, and analyze certain confidential information of private entities that is not normally available to the public. Your Committees also find that the information requested by the Department of Business, Economic Development, and Tourism shall have a reasonable nexus or connection to mitigating the declared emergency or the potential damages that may result from the declared emergency.

Your Committees have amended this measure by:

- (1) Clarifying that the sharing of information between private entities and the Department of Business, Economic Development, and Tourism surrounding the circumstances of a declared emergency from the Governor shall be limited to that information that has a reasonable nexus to mitigating the declared emergency or any potential injuries, damages, losses, or hardships arising therefrom that may detrimentally affect people or property located in Hawaii;
- (2) Requiring the Department of Business, Economic Development, and Tourism to provide a report to the Legislature within sixty days after a declared emergency is issued by the Governor that details, among other things, the specific information requested, the purpose of the request, the reasonable nexus between the information requested and mitigating the declared emergency or the potential injuries, damages, losses, or hardships arising therefrom, and the resulting damages from the emergency;
- (3) Changing the effective date to July 1, 2050, to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1051, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1051, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Ayes with Reservations, 1 (Galuteria). Noes, none. Excused, 3 (Bunda, English, Hooser).

**SCRep. 1052 (Joint/Majority) Human Services and Judiciary and Government Operations on H.B. No. 1525**

The purpose of this measure is to require the Department of Human Services to award medicaid contracts to nonprofit insurance entities only.

Testimony in support of this measure was submitted by the Hawaii Government Employees Association and the Hawaii Primary Care Association. The State Council on Developmental Disabilities and the Waianae Coast Comprehensive Health Center supported the intent, and Evercare Hawaii provided comments. Testimony in opposition of this measure was submitted by the Department of Human Services, the Hawaii Medical Service Association, and Goodwill Industries of Hawaii, Inc. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that recent events in other states have led to a growing concern that for-profit medicaid health care insurance entities may not be the most suitable providers for Hawaii's medicaid recipients. The fear is that for-profit entities may cease operations in the State of Hawaii unexpectedly if the profit margin is too low. However, your Committees note that whether the entity is nonprofit or for-profit, there is a great need for transparency for these providers. The disclosure of information in the health care marketplace will help improve access and the delivery of affordable, quality health care services for consumers.

Your Committees have amended this measure by replacing its contents with the contents of the proposed draft of H.B. 1525, H.D. 1, S.D. 1, which was circulated prior to this hearing. Due to concerns raised during the hearing, your Committees have amended the measure. The proposed draft, as amended, requires all future medicaid health care insurance contracts to be awarded only to qualified nonprofit and for-profit entities that comply with annual reporting requirements, as follows:

- (1) Submit certified audit reports for the contracted services; and
- (2) Provide the medical loss ratio, administrative costs, profit margin, return to investors, number of employees in the State with category of work, description of any on-going proceedings or investigations to the extent as may be allowed by law, total compensation for highest paid employees in the State and nationwide, and a list of all management and administrative service contracts.

In addition, the amended measure includes an effective date of January 1, 2016.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1525, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1525, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Noes, 1 (Slom). Excused, 3 (Gabbard, Takamine, Hemmings).

**SCRep. 1053 (Majority) Energy and Environment on H.B. No. 1464**

The purpose of this measure is to, among other things:

- (1) Prohibit any state or county agency from issuing a permit and the Public Utilities Commission from issuing a certificate for the construction or operation of a new electrical generating facility that produces electrical energy solely from the combustion of any type of fossil fuel, except under extraordinary circumstances, as determined by the Public Utilities Commission;
- (2) Provide that, beginning January 1, 2015, electrical energy savings shall not count towards renewable energy portfolio standards and shall not include customer-sited grid-connected photovoltaic systems;
- (3) Amend the renewable energy portfolio standards, and the Public Utility Commission's obligations to review and implement such standards and to encourage development of renewable energy resources;
- (4) Amend the definition of "renewable energy facility" to include biofuel production facilities and renewable energy facilities with smaller energy production capacities, for purposes of streamlined permit processing for new facilities;

- (5) Revise the streamlined new construction permitting process for renewable energy facilities;
- (6) Direct the Public Utilities Commission to establish energy efficiency portfolio standards;
- (7) Clarify the application of the law requiring solar water heating systems for new single-family residential construction and the procedures for obtaining variances from the requirement;
- (8) Revise the tax credit for renewable technology systems; and
- (9) Revise the Public Utilities Commission's obligations for solar water heater system standards.

Testimony in support of the measure, with amendments and/or comments, was submitted by two private organizations. Testimony in support of the intent of the measure, with amendments and/or comments, was submitted by two state departments and one private organization. Testimony in support of the intent of the measure was submitted by one private organization. Testimony in opposition to the measure was submitted by one private organization. Comments were submitted by one state department and two private organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee believes that it is important to increase the production and use of renewable energy in the State, particularly in the current economic climate. This measure is an omnibus House energy bill. Your Committee finds that this measure is intended to address a range of energy issues and includes elements similar to a number of Senate bills. Your Committee also acknowledges the extent of the amendments suggested in testimony regarding the measure as received, and the preference expressed by several testifiers for the provisions in similar Senate bills.

Accordingly, your Committee has amended this measure by:

- (1) Deleting Section 1 of the measure, regarding new electrical generation facilities, and replacing it with similar language in S.B. No. 1671, S.D. 1, relating to fossil fuel electricity generating facilities;
- (2) Deleting Section 2 of the measure, regarding certificates of public convenience and necessity, and replacing it with Sections 3 and 4 of S.B. No. 1671, S.D. 1, pertaining to applications from public utilities for new generation facilities and adding a definition of "electric utility cooperative association";
- (3) Deleting Section 9 of the measure, which amends the definition of "renewable energy facility" for purposes of streamlined new construction permit processing, and replacing it with similar language from S.B. No. 1258, S.D. 2;
- (4) Deleting Section 10 of the measure, relating to streamlined permit processing for renewable energy facilities, because a similar measure already addresses the amendment proposed in Section 10;
- (5) Deleting Section 14, relating to the requirement that solar water heating devices be installed on new single-family dwellings, and replacing it with similar language from S.B. No. 390, S.D. 2, with a revision regarding demand water heaters and formatting changes;
- (6) Requiring the Public Utilities Commission to adopt standards for solar water heating systems by January 1, 2010, rather than July 1, 2009; and
- (7) Making technical, nonsubstantive changes for style, formatting, and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1464, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 4 (English, Gabbard, Green, Kokubun). Noes, 1 (Hooser). Excused, 2 (Ihara, Hemmings).

**SCRep. 1054 (Joint/Majority) Higher Education and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1174**

The purpose of this measure is to:

- (1) Establish the Mauna Kea management special fund; authorize the Board of Regents of the University of Hawaii to establish rents, fees, and charges for deposit into the fund; and establish uses of the moneys in the fund;
- (2) Authorize the Board of Regents to adopt administrative rules to regulate public and commercial activities at and within the Mauna Kea lands, or the lands the University leases from the Board of Land and Natural Resources;
- (3) Require the Board of Regents to establish procedures to enforce these rules; and
- (4) Establish administrative fines for violations of these rules and authorize the Board to assess and collect administrative fines.

Testimony in support of this measure was submitted by the University of Hawaii System; Department of Land and Natural Resources; Office of Hawaiian Affairs; Big Island Land Company; Hawaii Building and Construction Trades Council; Hawaii Island Chamber of Commerce; Ginoza Realty, Inc.; Engineering Partners, Inc.; Pacific Resource Partnership; Laborers International Union of North America, Local 368; Hawaii Island Economic Development Board; Japanese Chamber of Commerce & Industry of Hawaii; T & T Electric, Inc.; Kaiulani 4, LLC; Hawaii Science & Technology Council; International Longshore and Warehouse Union, Local 42; Hawaiian Mamaki Tea Plantation, Inc.; International Brotherhood of Electrical Workers, Local 1186; HPM Building Supply; Ku'iwalu; Hamakua Springs Country Farm; Hawaii Teamsters and Allied Workers, Local 996; and fifty-two individuals. KAHEA, the Hawaiian-Environmental Alliance; Life of the Land; and one hundred thirty-five individuals submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the issues surrounding the Mauna Kea lands are complex and varied, ranging from native Hawaiian rights and the use of ceded lands; the economic benefits of Mauna Kea lands activities; jurisdictional responsibilities; financial

management; land and natural resource management; infrastructure requirements; and the balance of short-term needs and long-range planning.

Your Committees further find that there have been extensive efforts to address these issues, including the 1995 Revised Management Plan, adopted by the Board of Land and Natural Resources, for the University of Hawaii Management Areas on Mauna Kea, which assigns management and enforcement responsibilities of public and commercial use and institutes commercial use and management controls; the University of Hawai'i Mauna Kea Science Reserve Master Plan 2000 Master Plan, adopted by the Board of Regents as the policy framework for the responsible stewardship and use of university-managed lands on Mauna Kea; and the Comprehensive Management Plan for Mauna Kea, which is currently in public review.

Your Committees fully understand that there will not be agreement by all the parties. As with any complex issue, compromise is not always possible. Your Committees commend those involved with developing the Comprehensive Management Plan for Mauna Kea for their good faith efforts to hear – if not resolve – problems and concerns. It is the hope of the Committees that all efforts to engage and address the concerns of stakeholders will continue.

After due consideration of this measure, your Committees have replaced the contents of this measure with S.B. No. 502, S.D. 1, previously heard and approved by your Committees. While both measures include many of the same concepts, your Committees find the Senate measure proposes a more comprehensive approach.

As amended, this measure:

- (1) Authorizes the Board of Regents to charge fees and enter into lease agreements for the Mauna Kea lands;
- (2) Authorizes the Board to adopt rules to regulate public and commercial activities on Mauna Kea lands;
- (3) Authorizes the Board, in consultation with the Office of Hawaiian Affairs, to establish and collect administrative fines for violations;
- (4) Requires annual reports to the Legislature;
- (5) Establishes a Mauna Kea Lands Management Special Fund for the University of Hawaii to manage Mauna Kea Lands; and
- (6) Has an effective date of July 1, 2025, for the purposes of further discussion.

In addition, your Committees strongly urge the University of Hawaii and the Board of Regents to consult with the plaintiffs of Civil No. 04-1-397, Mauna Kea Anaina Hou, et al v. Board of Land and Natural Resources, et al: Mauna Kea Ainana Hou; Royal Order of Kamehameha I; Sierra Club, Hawaii Chapter; and Clarence Ching. In many ways, this case illustrates the issues and concerns that continue to confront all parties involved with the future of the Mauna Kea lands, and it provides a sobering example that your Committees hope would not be repeated.

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1174, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1174, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Ayes with Reservations, 1 (Hee). Noes, 1 (Slom). Excused, 5 (Baker, Bunda, Sakamoto, Taniguchi, Hemmings).

**SCRep. 1055 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1552**

The purpose of this measure is to provide the structure necessary for the management of state living parks.

Specifically, this measure:

- (1) Authorizes the Department of Land and Natural Resources to issue long-term residential leases to qualified persons; and
- (2) Establishes a living park planning council to develop a master plan for each state living park that will provide the framework, proposed rules, measurements for success, and planning process to ensure that the living park achieves its purpose and goals.

Testimony in support of this measure was submitted by two organizations and thirteen public citizens. One state agency and one public citizen provided comments. Testimony in opposition was submitted by eight public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee notes that this measure is in response to the Kahana Valley State Park attempted evictions in October 2008. The Kahana Valley State Park residents have demonstrated the success of interpretive programs in living parks for the enjoyment of visitors and school groups. The Kahana Valley residents provide an invaluable resource to the community by maintaining the Kahana ahupuaa, the basic ancient Hawaiian land division which includes all of the resources: mountain, upland, shoreline, and ocean. However, the Kahana Valley State Park experience has also demonstrated the need for a clear master plan based on the input of the park residents for long-term management solutions. Your Committee finds that the Kahana Valley State Park model can be used to provide interpretive services and maintenance for state parks. This measure provides the structure needed for successful living parks in the State, using the experiences of Kahana Valley State Park as an example.

This measure is modeled after the findings and recommendations of "Kahana: What Was, What Is, What Can Be," Report No. 5, Legislative Reference Bureau 2001, which emphasizes the strong role of the living park residents in determining what criteria should govern eligibility for a lease, designation of lands to be leased, monitoring and enforcement of leases, assignment and renewal of leases, and the development of a master plan. Your Committee believes that the living park structure benefits the State and visitors because the lessees whose ancestors have lived on the land and who have served as the stewards of the land, are the best interpreters of the living park's culture.



Your Committee has amended this measure by making technical, nonsubstantive changes for consistency and clarity.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1552, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 1056 Energy and Environment on H.B. No. 36**

The purpose of this measure is to clarify the nexus between the benefits sought and charges made on users and beneficiaries of the Environmental Health Education Fund (Fund) by:

- (1) Changing the name of the Fund to the "Sanitation and Environmental Health Special Fund"; and
- (2) Allowing the use of the Sanitation and Environmental Health Special Fund for sanitation program activities.

Testimony in support of this measure, with suggested amendments, was submitted by one individual. Testimony in opposition to the measure was submitted by one state department. Testimony with concerns regarding the measure, with suggested amendments, was submitted by the Department of Health (DOH). Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure seeks to increase resources for the DOH Sanitation Branch's program operations, in part by increasing the amount of money the Fund may retain, and by amending the purposes for which the Fund may be used. The premise of the measure is that the majority of fees for the Fund are collected by the DOH's sanitation program and, therefore, these fees should be spent on sanitation measures and programs.

Your Committee finds, however, that some clarification in the measure is required, as the overall purpose of the Fund is to enhance and improve programs within the Environmental Health Services Division, which includes not only the Sanitation Branch, but three other branches. To properly improve these programs, the authorized uses of the Fund should be expanded to include operating costs of program activities and functions, such as permitting, monitoring, investigations, and enforcement, rather than being limited to education, training, and outreach activities. The DOH also recommended an additional amendment to the measure in order to clarify that inspectors of food establishments do not need to be "registered", because section 321-13, Hawaii Revised Statutes, no longer requires sanitarians to be licensed by the DOH.

Accordingly, your Committee has amended this measure by:

- (1) Changing the name of the Fund to the "Environmental Health Special Fund", in order to reach the other branches within the Environmental Health Services Division;
- (2) Expanding the type of activities for which Fund moneys may be expended to include permitting, inspections, other monitoring, and enforcement;
- (3) Restoring the \$300,000 cap on the Fund;
- (4) Deleting the registration requirement for food establishment inspectors;
- (5) Changing its effective date from July 1, 2020, to July 1, 2009; and
- (6) Making nonsubstantive, technical changes for style and clarity, and to correctly reflect the language in the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 36, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 36, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Hooser).

**SCRep. 1057 (Majority) Labor on H.B. No. 952**

The purpose of this measure is to:

- (1) Streamline the process to certify union representation by requiring the Hawaii Labor Relations Board to certify an exclusive representative if a majority of the employees in a unit not currently represented have signed valid authorizations designating a bargaining representative, rather than holding an election; and
- (2) Establishing a process that facilitates initial collective bargaining agreements between employers and newly certified employee representatives.

Testimony in support of this measure was submitted by several organizations. Testimony in opposition to this measure was submitted by three state agencies and several organizations and individuals. Comments were submitted by one state agency and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure supports workers' right to organize for the purpose of collective bargaining under Article XIII of the Hawaii Constitution and provides protections for workers against actions that would hinder them from exercising this constitutional right.

Your Committee has amended this measure as follows:

- (1) Making it a violation for an employer to wilfully or repeatedly commit unfair or prohibited practices interfering with an employee's statutory rights or discriminating against an employee for exercising protected conduct, subject to a civil penalty of \$20,000 or less per violation;
- (2) Eliminating the restriction on the application of this measure to employees of employers with one hundred or more employees; and
- (3) Making technical, nonsubstantive changes for the purposes of style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 952, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 952, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 1058 Education and Housing on H.B. No. 1232**

The purpose of this measure is to require that a portion of housing units in residential developments constructed with state assistance, on land purchased or leased from the State and on land located in a community development district, be sold pursuant to restrictions that ensure continued affordability over time.

Testimony in support of this measure was submitted by one government agency and one private organization. Testimony in opposition was submitted by one government agency and one private organization. One government agency and one private organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the lack of affordable housing is one of the most critical issues faced by our communities. Your Committee has heard a number of measures to address this issue, and finds that the provisions of this measure offer alternatives for further discussion.

Your Committee has amended this measure by:

- (1) Adding a provision to increase the allowable maximum sale price on a sale after ten years and for subsequent periods to be determined; and
- (2) Making technical amendments for the purposes of clarity and consistency.

Your Committee has also considered provisions related to the development of affordable housing in the Kakaako area, but has not included them in this measure.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1232, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1232, H.D. 1, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 1059 (Majority) Energy and Environment on H.B. No. 1663**

The purpose of this measure is to protect:

- (1) The cultural integrity of taro as part of the heritage of the Hawaiian people and the State;
- (2) The genetic biodiversity and integrity of Hawaiian taro varieties in the State as part of the sacred trust between the State and the indigenous peoples of Hawaii; and
- (3) Hawaii taro farmers' raw taro, poi, luau, and value-added markets,

by establishing a ban on developing, testing, propagating, releasing, importing, planting, and growing of genetically modified Hawaiian taro in the State of Hawaii.

Testimony in support of this measure was submitted by two state departments or agencies, nine private organizations, and sixteen individuals. Testimony in support of the measure, with amendments, was submitted by one state department, four private organizations, and thirty-five individuals. Testimony in support of the intent of the measure, with comments or amendments, was submitted by one state department and one individual, in addition to a petition in support, with requested amendments, signed by 1,230 individuals. Testimony in opposition to the measure was submitted by two state departments and one private organization. Comments were submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the taro plant holds great cultural significance within the Native Hawaiian culture and to our State. While this measure protects Hawaiian varieties of taro from genetic modification by restricting genetic modification of non-Hawaiian taro only to enclosed laboratories where access is denied to the general public and prohibits outdoor field testing or release of genetically modified taro within the State, your Committee nevertheless has concerns regarding all genetically modified varieties of taro.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 709, S.D. 2, which prohibits genetic testing all varieties of taro in Hawaii;
- (2) Adding language clarifying that the University of Hawaii is not prohibited from conducting field testing and commercial propagation of successful new varieties of taro outside of the State, excluding Hawaiian taro; and
- (3) Changing its effective date from July 1, 2050, to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1663, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1663, H.D. 1, S.D. 1, and be referred to the Committee on Water, Land, Agriculture, and Hawaiian Affairs.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Kokubun). Noes, 1 (Hemmings). Excused, 2 (English, Hooser).

**SCRep. 1060 Economic Development and Technology on H.B. No. 381**

The purpose of this measure is to replace the June 30, 2009, lapse date for a \$4,000,000 appropriation to the State of Hawaii Endowment Fund, originally appropriated in Act 97, Session Laws of Hawaii 2006, with provisions stipulating that all portions of pledges not matched by an actual payment of the pledge by February 28, 2013, revert to the general fund.

Testimony in support of this measure was submitted by the Department of Accounting and General Services, Honolulu Symphony Society, and one concerned individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is a sound fiscal policy to replace the June 30, 2009, lapsing date with a provision that provides that all uncollected pledges to the State of Hawaii Endowment Fund as of February 28, 2013, shall cause any unexpended balance of the \$4,000,000 appropriation to revert back to the general fund. This is especially true in consideration of the State's current economic crisis.

Your Committee has amended this measure by changing the effective date from June 29, 2009, to July 1, 2050, to promote further discussion pending the receipt of additional information requested by your Committee.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 381, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Hee, Ige).

**SCRep. 1061 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on H.B. No. 983**

The purpose of this measure is to:

- (1) Require the Director of Transportation to conduct a statewide pupil travel evaluation to study how students get to school and use the information obtained from the evaluation to provide Safe Routes to School program funds for school-based workshops and community-based planning projects that will reduce vehicular travel and congestion, encourage walking and bicycling, and promote health and safety; and
- (2) Require the Director to develop a streamlined process for the federal Safe Routes to School grant program.

Testimony in support of this measure was submitted by two private organizations and one individual. Testimony in opposition was submitted by one state agency. One state agency submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have heard that the Department of Transportation supports the measure's objective to improve bicycle and pedestrian safety for Hawaii's school children and that the Department is already working towards this end through existing and new initiatives. However, the Department also noted that this measure directly conflicts with the provisions of the federal Safe Routes to School (SRTS) program under the current federal authorization, and use of these SRTS funds for Hawaii is contingent on following the federal regulations and national criteria for this program.

Your Committees wish to thank the Department of Transportation for working with supporters of this measure to amend the language to ensure that it does not conflict with federal requirements.

Your Committees have amended this measure accordingly, by:

- (1) Removing all references to a pupil evaluation planning study and planning activities;
- (2) Adding infrastructure and non-infrastructure projects for use of the SRTS program funds;
- (3) Ensuring consideration of the establishment of a permanent, full-time position of Safe Routes to School Coordinator within the Department of Transportation to provide a central point of contact for the program;
- (4) Ensuring consideration of the provision of training to potential grant requestors and stakeholder groups;
- (5) Requiring the Director of Transportation to report on the status and progress of the SRTS programs;
- (6) Making the effective date, upon approval; and

- (7) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 983, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 983, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice President on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Chun Oakland, English, Gabbard, Tsutsui).

**SCRep. 1062 Health on H.B. No. 1782**

The purpose of this measure is to establish the Office of State Coordinator of Health Information Exchange within the Department of Accounting and General Services to coordinate local efforts, identify funding sources, integrate state health programs, and eventually participate in the national health information technology network.

In addition, this measure:

- (1) Establishes the Health Information Exchange Special Fund for costs and expenses incurred in administering health information exchange initiatives contained in this measure;
- (2) Allows the Department of Accounting and General Services to contract out some or all of its duties to administer the components of the Office in accordance with the Hawaii State Procurement Code, and establishing requirements, restrictions, and conditions for any such contract;
- (3) Broadens the scope of the required health information exchange network to include all residents of the State, not just for medicaid recipients and other low-income uninsured residents;
- (4) Establishes the temporary Health Information Technology Task Force within the Department of Accounting and General Services to develop the ten-year strategic plan for the Office and the network;
- (5) Requires the task force to submit annual reports to the Legislature, including the finalized strategic plan prior to the 2010 Regular Session, and repealing the Task Force on June 30, 2014;
- (6) Requires the Department of Accounting and General Services to conduct a separate assessment of the Office, Network, and the task force;
- (7) Requires the Department of Health and the Department of Accounting and General Services to submit joint reports with their assessments to the Legislature, and establish a schedule for submittal of these reports in future years; and
- (8) Requires the Department of Budget and Finance to submit a financial report to the Legislature regarding the State's health information technology efforts, and establishing a schedule for submittal of these reports in future years.

Your Committee received testimony in support of this measure from the Hawaii Medical Association. Testimony in support of this measure with amendments was submitted by the Hawaii Primary Care Association and Hawaii Pacific Health. Ho'okele Personal Health Planners and Hawaii Health Information Exchange support the intent of the measure with reservations. Testimony in opposition to this measure was submitted by the Department of Budget and Finance, the Department of Accounting and General Services, and the Department of Human Services. Comments on this measure were submitted by the Department of Health and the Hawaii Medical Service Association.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that health information technology and the health information exchange is an essential tool in significantly increasing health and safety in the State's health system as well as improving financial efficiency. Your Committee further finds health information is not state-owned information. Therefore, the primary focus of health information technology and the health information exchange should be placed on public-private partnerships.

Your Committee has amended this measure by:

- (1) Replacing the Department of Accounting and General Services with the Department of Health in all aspects of the measure;
- (2) Renaming the Office of the State Coordinator of Health Information Exchange to the Office of the State Coordinator of Health Information Technology;
- (3) Requiring the administrator of the Office of the State Coordinator of Health Information Technology to be appointed through the advise and consent provisions of section 26-34, Hawaii Revised Statutes;
- (4) Deleting the definition of "network";
- (5) Amending the definition of "qualified state-designated entity";
- (6) Amending the duties and responsibilities of the Office of the State Coordinator of Health Information Technology;
- (7) Deleting the health information exchange special fund;
- (8) Renaming the Health Information Technology Task Force to the Health Information Exchange Task Force;
- (9) Removing all provisions relating to assessments by the Departments of Accounting and General Services, Health, and Budget and Finance;

- (10) Directing the Health Information Exchange Task Force to develop a five, rather than ten, year strategic plan and further clarifying what the plan shall include;
- (11) Amending the appropriation to delete reference to the health information exchange special fund;
- (12) Changing the effective date to July 1, 2050, to encourage further discussion on this matter; and
- (13) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1782, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1782, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1063      Judiciary and Government Operations on H.B. No. 300**

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Judiciary for fiscal biennium from July 1, 2009, through June 30, 2011.

Your Committee received testimony in support of this measure from the Judiciary and private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee notes the Judiciary's testimony regarding the claimed severe cutbacks in its budget as originally submitted. Your Committee has endeavored to restore some of the items which your Committee feels are imperative for the activities and services of the Judiciary that address social ills arising from the economic downturn. Your Committee recognizes that the Judiciary is a separate branch of government that provides its own safety net services to persons under its jurisdiction. If the Judiciary could not afford to adequately provide those services, the onus would likely shift eventually to the Departments of Health or Human Services. In this regard, the Judiciary is oftentimes the first contact for persons requiring help in addressing problems arising from drug or alcohol abuse who come to the attention of the Judiciary via the court system.

Your Committee finds that state general fund revenues are declining and are projected to continue to decline for at least another year. Your Committee recognizes that financial sacrifices in these lean economic times are the norm rather than the exception. However, your Committee is concerned about the reductions to the Judiciary budget of almost \$40 million and the deletion of 114 permanent positions constituting an estimated payroll cost of about \$4.5 million. The services provided by the Judiciary by way of court and social service programs typically rise in times of economic downturn as the result of a corresponding rise in crime, domestic violence, and illicit drug use. These in turn result in an increased demand for criminal court proceedings, drug court proceedings, mental health court proceedings, domestic violence services and proceedings, and the purchase of services contracts, as well as grants in aid.

Your Committee has amended this measure by:

- (1) Restoring the reductions in funding of programs and expenses and positions;
- (2) Reducing the amount for program I.D. JUD 601 (administration) by \$8,408,626, which along with item (1) amounts to an increase of approximately \$20 million; and
- (3) Restoring the capital improvement project requests for Kapolei and Ka'ahumanu Hale, and lump sum CIP requests in the amount of \$5 million to \$5.9 million for fiscal year 2009-2010, and in the amount of \$10 million to \$20 million for fiscal year 2010-2011.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 300, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1064      Judiciary and Government Operations on H.B. No. 1016**

The purpose of this measure is to appropriate funds to satisfy claims against the State for judgments, settlements, and miscellaneous payments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has amended this measure by:

- (1) Adding claims for judgments and settlements, as recommended by the Department of the Attorney General; and
- (2) Changing the effective date to July 1, 2050 to ensure this measure remains available to accommodate additional claims if necessary in this legislative session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1016, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1016, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 1065      Judiciary and Government Operations on H.B. No. 1728**

The purpose of this measure is to increase government agency fiscal options during this economic downturn by giving administrative agencies more flexibility to increase fees and other nontax revenues from July 1, 2009, until July 1, 2015.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that during these difficult times and considering the grave fiscal condition the State is facing, all options must be kept open. The intent of this measure is to allow the administrative agencies more discretionary authority to set fees pursuant to statutory authority.

Your Committee has amended this measure by deleting its contents and inserting the provisions of Senate Bill No. 1343, S.D. 2 (2009), a measure that statutorily establishes certain governmental fees and having a sunset date of July 1, 2050 to continue the discussions.

Your Committee finds that this amended measure addresses concerns raised in the Hawaii Supreme Court's opinion in *Hawaii Insurers Council v. Lingle*. Establishing these fees by statute rather than by administrative rule would help avoid a conflict with the separation of powers doctrine, while also making administrative fees more uniform.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1728, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1728, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 1066      (Joint) Public Safety and Military Affairs and Human Services on H.B. No. 1776**

The purpose of this measure is to:

- (1) Require the Department of Public Safety, beginning January 31, 2010, to provide the Department of Human Services with monthly reports listing newly admitted inmates; and
- (2) Require the Department of Human Services to identify each inmate's current status regarding the receipt of public assistance.

Testimony in support of this measure was provided by one state agency. Comments were provided by one state agency and one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure would help the Department of Human Services comply with public assistance laws by identifying individuals who are ineligible to receive public assistance.

Your Committees have amended this measure by:

- (1) Requiring the continuation of public assistance for the duration of the inmate's incarceration for inmates who are sentenced to incarceration in a public institution for not more than thirty days;
- (2) Requiring that public assistance be terminated for inmates who are sentenced to incarceration in a public institution for more than thirty days; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1776, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1776, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Bunda, English, Kidani).

**SCRep. 1067      Public Safety and Military Affairs on H.B. No. 1831**

The purpose of this measure is to establish the military affairs liaison special fund to support a qualified nonprofit entity into which shall be deposited general fund appropriations.

Your Committee received testimony in support of this measure from one private organization. Testimony in opposition was received from one government entity. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the presence of the United States military in Hawaii contributes to maintaining the peace and stability of the Asia-Pacific region. Further, Hawaii's economy benefits from this presence in that the military expends approximately \$5,600,000,000 annually in Hawaii and provides employment opportunities to approximately one hundred twenty-five thousand residents. Next to tourism, military expenditures are currently the largest source of revenues to Hawaii's economy.

Your Committee has amended this measure by renaming the military liaison special fund to military liaison trust fund, and by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831, H.D. 2, as amended herein, and recommends that it

pass Second Reading in the form attached hereto as H.B. No. 1831, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Gabbard).

**SCRep. 1068 (Joint) Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs on H.B. No. 990**

The purpose of this measure is to establish in the Department of Transportation:

- (1) An Office of Disaster Preparedness and having the Director of Disaster Preparedness develop a comprehensive disaster preparedness plan for the State; and
- (2) A Disaster Preparedness Commission to advise and assist the Director of the Office of Disaster Preparedness.

This measure also makes an appropriation to the Department of Transportation for the Office of the Director of Disaster Preparedness and the Disaster Preparedness Commission, including the hiring of necessary staff.

Your Committees received testimony in support of and in opposition to this measure, as well as a comment. Written testimony presented to the Committees may be reviewed on the Legislature's website.

The disaster preparedness plan would include:

- (1) The identification of natural hazards;
- (2) The designation of natural hazard impact zones;
- (3) Priorities for natural hazard mitigation;
- (4) Policies, requirements, and incentives to mitigate the problems caused by natural hazards, to be incorporated into rules such as county building codes, land use policies, and retrofitting incentives such as tax credits; and
- (5) Plans for best responses to disasters to minimize costs and protect the interests of residents, their possessions, and pets, and visitors to the state, including plans ensuring the reliability of communication networks and power supplies for major state airports, health care facilities, disaster shelters, and other essential services.

The Disaster Preparedness Commission duties would include:

- (1) Gathering information about disasters that have occurred in the past; and
- (2) Establishing advisory committees to provide technical and other support to the Director of the Office of Disaster Preparedness.

The State has experienced threats from natural disasters, such as, earthquakes, tsunami, and storms. Your Committees find that proper planning is critical to the safety and welfare of the public and their property in times of disaster. The establishment of the Office of Disaster Preparedness could be a productive means to coordinate the safety and protection of life and property. This measure would assist homeowners and businesses to be prepared in the event of natural disasters and will prevent wide spread catastrophes or destruction that was experienced in the Gulf of Mexico.

Your Committees have amended this measure by:

- (1) Deleting references to the Department of Transportation and leaving unspecified the name of the department in which the Office of Disaster Preparedness shall be placed for administrative purposes;
- (2) Placing a representative of the Judiciary on the Disaster Preparedness Commission;
- (3) Changing the effective date to July 1, 2050, to continue the discussions on this matter; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 990, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 990, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair and Vice President on behalf of the Committees.  
Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 4 (Bunda, English, Kidani, Nishihara).

**SCRep. 1069 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Higher Education on H.B. No. 242**

The purpose of this measure is to support value-added agricultural operations in Hawaii by authorizing the issuance of general obligation bonds and appropriating funds to be matched by private sector contributions for the planning, repair, and modification of agricultural facilities on Oahu and Maui.

Your Committee received testimony from five organizations, and one public citizen. Testimony in opposition to this measure was received from one state board. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that diversified agriculture contributes to the State's economy by providing employment opportunities, products for export, and promoting tourism. Additionally, diversified agriculture contributes to quality of life for all Hawaii residents by helping to perpetuate a rural lifestyle that promotes stewardship of Hawaii's land and water. Your Committee finds that assigning

more resources to the development and production of value-added agricultural products is necessary to transition Hawaii's agricultural economy from plantations to diversified agriculture and to ensure the long-term economic success of Hawaii's farmers and ranchers.

Your Committee has amended this measure by:

- (1) Adding a section to amend the definition of "agricultural commodities" to include livestock, so as to treat all producers of diversified agriculture equally; and
- (2) Making a minor, nonsubstantive change for the purpose of clarity of language.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 242, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 242, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Sakamoto, Taniguchi, Hemmings).

**SCRep. 1070 Economic Development and Technology on H.B. No. 611**

The purpose of this measure is to ensure the State's fiscal integrity and provide good state fiscal policy by establishing a sunrise and sunset review of certain tax exemptions, deductions, and credits to require legislative review of these programs.

Your Committee has substituted the contents of this measure with the contents of a Proposed H.B. No. 611, H.D. 1, S.D. 1, that was circulated amongst various stakeholders to gain a consensus of approval. The Proposed H.B. No. 611, H.D. 1, S.D. 1, accomplished the following:

- (1) Deleted the contents of this measure and replaced it with the contents of S.B. No. 1247, S.D. 2, which is the Senate's version of the measure to study and evaluate several tax credits and tax exemptions;
- (2) Added a new part to chapter 235, Hawaii Revised Statutes, to clarify the application of the Capital Goods Excise Tax Credit in section 235-110.7, Hawaii Revised Statutes, and placing it in Part I;
- (3) Suspended the Capital Goods Excise Tax Credit in section 235-110.7, Hawaii Revised Statutes, for property placed in service in taxable years beginning on or after January 1, 2010, and ending on or before December 31, 2011;
- (4) Placed the legislation pertaining to the study and evaluation of several tax credits and tax exemptions in chapters 209E, 235, 237, 239, and 241, 244D, Hawaii Revised Statutes, into Part II; and
- (5) Added an additional general excise tax exemption under section 237-24.3, Hawaii Revised Statutes, for amounts related to the transportation of agricultural products between the islands of this State.

Testimony in support of the Proposed H.B. No. 611, H.D. 1, S.D. 1, was submitted by the Department of Business, Economic Development, and Tourism, Hawaii Farm Bureau Federation, Inter-Island Solar Supply, Maui County Farm Bureau, Hawaii Cattlemen's Council Inc., Maui Cattlemen's Association, Diamond B Ranch, and three concerned individuals. Testimony in opposition of this measure was submitted by the National Association of Insurance and Financial Advisors, The Chamber of Commerce of Hawaii, Queen's Medical Center, Kaiser Permanente, Ship Repair Association of Hawaii, Hawaii State Bar Association, American Council of Life Insurers, Covanta Energy Group, and Hoola Lahui Hawaii. Comments on this measure were submitted by the Department of Taxation, the Department of Agriculture, Hawaii Housing Finance and Development Corporation, Hawaii Association of Realtors, Hawaii Bioenergy, Hawaii Solar Energy Association, and Hawaii Alliance of Nonprofit Organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Proposed H.B. No. 611, H.D. 1, S.D. 1, tax credits and tax exemptions are important to the State's economic diversification. Your Committee further finds that as economic conditions change over time, the tax credits and tax exemptions may need to be extended, repealed, or sunset to promote certain types of business activity. Without a regular evaluation of tax credits and exemptions, the Legislature will not be able to make effective adjustments to the State's tax credits and exemptions.

Your Committee has deleted section 237-28.1, Hawaii Revised Statutes, from the listing of tax exemptions scheduled for automatic sunset on December 31, 2011, as a result of strong concerns raised by The Chamber of Commerce of Hawaii and Ship Repair Association of Hawaii.

When the original listing of tax credits and tax exemptions scheduled for sunset, review, and evaluation in S.B. No. 1247, S.D. 2, was compiled, your Committee relied upon the following tax revenues foregone under section 237-28.1, Hawaii Revised Statutes, as based upon 2006 estimates of the 2005-2007 Tax Review Commission:

- (1) \$550,854 in fiscal year 2012;
- (2) \$1,134,760 in fiscal year 2013;
- (3) \$1,168,802 in fiscal year 2014; and
- (4) \$1,203,866 in fiscal year 2015.

These estimates are considerably below today's estimates of the level of general excise tax savings that result from \$90,000,000 to \$100,000,000 in annual expenditures for government-contracted ship and repair facility installations and maintenance in and around Pearl Harbor. Given the importance of Pearl Harbor's ship building and repair industry to the State's economy, and the United States Navy's goal of reducing ship repair costs for work performed in Hawaii, your Committee therefore seeks only to evaluate the costs and benefits of section 237-2.1, Hawaii Revised Statutes, in conjunction with those tax credits and tax exemptions scheduled to sunset at the end of 2011.



In regard to the deletion of section 237-24, Hawaii Revised Statutes, your Committee believes that many of the general excise tax exemptions in that section are fundamentally based upon not being subject to general excise tax, such as exemptions for employee wages, alimony, and insurance proceeds. Thus, your Committee does not believe that section 237-24, Hawaii Revised Statutes, should be subjected to a automatic sunset, however, your Committee still believes that section 237-24, Hawaii Revised Statutes, should be jointly evaluated by the Department of Taxation and the Department of Business, Economic Development, and Tourism.

Your Committee has amended the Proposed H.B. No. 611, H.D. 1, S.D. 1, by:

- (1) Deleting from the definition of "eligible property" the inclusion of computer software;
- (2) Clarifying that the application of the Capital Goods Excise Tax Credit in section 235-110.7, Hawaii Revised Statutes, applies to property purchased pursuant to a binding contract;
- (3) Revising the suspension of the Capital Goods Excise Tax Credit in section 235-110.7, Hawaii Revised Statutes, to also apply to property purchased pursuant to a binding contract;
- (4) Amending the period of the suspension of the Capital Goods Excise Tax Credit in section 235-110.7, Hawaii Revised Statutes, to only comprise of taxable years beginning on or after July 1, 2009, and ending on or before December 31, 2011, rather than taxable years beginning on or after January 1, 2010, and ending on or before December 31, 2011;
- (5) Deleting the automatic sunset of the exemptions in section 237-24, Hawaii Revised Statutes, relating to general excise amounts not taxable;
- (6) Deleting the automatic sunset of the exemptions in section 237-28.1, Hawaii Revised Statutes, relating to general excise taxes on sales of shipbuilding and ship repair businesses;
- (7) Revising the paragraph references to the tax credits and tax exemptions applicable to low-income housing projects in subsection (d) of section 8;
- (8) Adding representatives of Hawaii's non-profit sector to the Technical Advisory Group that is going to be established to help identify and develop the data elements needed for the analysis of the tax credits and tax exemptions;
- (9) Changing the effective date from July 1, 2009, to July 1, 2050, to promote further discussion on additional information pending from the Department of Business, Economic Development, and Tourism, and the Department of Taxation regarding the appropriate means of data aggregation and dissemination between those departments in facilitating the production of comprehensive fiscal and economic impact statements; and
- (10) Making technical, nonsubstantive amendments for the purpose of clarity.

Your Committee received a fiscal impact statement from the Department of Taxation that this measure, as introduced, would result in the following annual revenue losses to the State:

- (1) Fiscal year 2010, \$17.2 million;
- (2) Fiscal year 2011, \$425.4 million;
- (3) Fiscal year 2012, \$925.2 million;
- (4) Fiscal year 2013, \$1.1 billion;
- (5) Fiscal year 2014, \$1.3 billion;
- (6) Fiscal year 2015, \$1.6 billion.

The Department of Taxation's methodology is as follows:

In addition, the study required by the bill may result in an additional revenue gain of from \$1,000,000 to \$3,000,000, because data and analysis developed for the study will help make the Department's compliance efforts more efficient. Revenue gains from eliminating the income tax credits are taken from the Department's study of income tax credits for 2006. Revenue gains from eliminating the GET exemptions are from the report of the 2005-2007 Tax Review Commission.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 611, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 611, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 2 (Hee, Ige).

**SCRep. 1071 Human Services on H.B. No. 1064**

The purpose of this measure is to provide emergency appropriations to the Department of Human Services to address its budget shortfalls.

Testimony in opposition was submitted by the American Association of Retired Persons to the original content of H.B. No. 1064, H.D. 1.

Testimony in support of a proposed Senate draft of this measure was submitted by the National Association of Social Workers, the Legal Aid Society of Hawaii, Hawaii Women Work, and two individuals. The Department of Budget and Finance provided comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that without the emergency appropriations in this measure, temporarily disabled individuals currently on general assistance will have monthly benefits reduced from \$469 per month to \$234 per month. This drastic cut in benefits will prevent recipients from paying rent, buying food, or paying for other basic needs.

Additionally, this measure will provide the necessary emergency appropriations for mental health services. Your Committee notes that people with mental illnesses who lose access to a necessary therapist or other treatment may become unstable, suffering personal loss, and it may be years before they can be helped back to services. Expending Federal Medical Assistance Percentage dollars on medicaid-eligible services, like those provided by the Hawaii Health Systems Corporation and the Department of Health for community-based care management and other services, and directing the Department of Human Services to use a portion of the funds to pay for these services would not only fund safety net health services immediately from now until June 30, 2009, but allow the State to draw down additional federal medicaid dollars.

Your Committee has amended this measure by:

- (1) Replacing its contents with the contents of H.B. No. 1064, H.D. 1, proposed S.D. 1, which was circulated prior to the hearing;
- (2) Inserting the contents of H.B. No. 1065, H.D. 1, proposed S.D. 1, which was circulated prior to the hearing, with amendments to include identifying the agencies and amounts for the appropriations; and
- (3) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1064, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1064, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1072 Human Services on H.B. No. 739**

The purpose of this measure is to direct the Department of Human Services to expend federal Temporary Assistance to Needy Families (TANF) funds with an emphasis on providing child care services, work programs and related support services, prevention of teenage pregnancy, child protective services, maintenance of information systems, and administrative costs and to transfer portions of TANF funds to the social services block grant and child care development fund.

Testimony in support of this measure was provided by the Department of Human Services, the Office of Youth Services, the Office of Hawaiian Affairs, the National Association of Social Workers, the University of Hawaii-Manoa, Hawaii Women Work, Hawaii Family Support Institute, Good Beginnings Alliance, Child and Family Services, Hawaii Democratic Party, Maui Family Support Services, and twelve private individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that in the current economic climate, the social safety net provided by TANF-funded programs is especially important. It is essential that the State assist vulnerable individuals and families to meet basic human needs such as shelter, food, and health care. It is equally as important that the State assist as many Hawaii residents as possible to enter or reenter the workforce and to maintain productive employment. Because of the current economic recession, many working-class and middle-class individuals are losing jobs, thereby becoming at-risk for housing loss and economic dislocation. Your Committee finds that TANF-funded programs and services will help prevent many of these individuals from falling into poverty.

Your Committee intends this measure to direct valuable TANF funding to meet the demand for direct cash benefits and necessary social service programs while maintaining an adequate level of cash reserves to ensure the continued provision of cash benefits into the future.

Your Committee has amended this measure by:

- (1) Providing specific amounts to be appropriated from TANF program funds for various programs;
- (2) Clarifying the scope of the programs enumerated in the measure that should receive TANF funding by:
  - (A) More narrowly defining the programs under the existing measure to include services relating to care for children in their own homes or in the homes of relatives, work program contracts and support services for program recipients, prevention and reduction of out-of-wedlock pregnancies and encouragement of two-parent families, and purchase of service contracts for child protective services;
  - (B) Adding appropriations for costs of program implementation, including costs for information systems and program administration; and
  - (C) Transferring funds to the child care development fund and the social services block grant to provide for greater flexibility in spending federal funds; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 739, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 739, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1073 (Joint) Human Services and Health on H.B. No. 1284**

The purpose of this measure is to appropriate funds to increase payments for physician services to medicaid-eligible persons, including fee-for-service and QUEST provider services up to a blank per cent of the current medicare rate.

Testimony in support of this measure was provided by the Chamber of Commerce of Hawaii, the Occupational Therapy Association of Hawaii, Faith Action for Community Equity, American Association of Retired Persons, and Hawaii Pacific Health. Testimony in opposition of this measure was submitted by the Department of Human Services. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that although Hawaii medicaid reimbursement rates are comparable to rates nationally, medicaid rates are typically among the lowest compared to private insurers and medicare. The funding for the physicians in the medicaid fee-for-service, medicaid QUEST, and medicaid QUEST Expanded Access managed care health plans to provide 79.5 per cent of the 2006 medicare rates will expire July 1, 2009. Inadequate reimbursement levels represent the primary threat to the ability of low-income pediatric and elderly patients in Hawaii to access quality health care. Your Committees believe the State should increase reimbursement levels to 100 per cent of the 2006 medicare rates.

Your Committees have amended this measure by:

- (1) Clarifying that the measure includes the QUEST Expanded Access program;
- (2) Making technical, nonsubstantive changes for the purposes of style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1284, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1284, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1074 (Joint) Human Services and Public Safety and Military Affairs on H.B. No. 1429**

The purpose of this measure is to appropriate Temporary Assistance for Needy Families funds to the Hawaii National Guard's About Face family of programs to continue serving at-risk youth.

Testimony in support of this measure was submitted by the Department of Human Services and the Office of Youth Services. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the Hawaii National Guard's About Face family of programs have made significant contributions to Hawaii's at-risk youth, such as strengthening families, reducing child abuse and neglect, providing role models and mentors, and improving academic achievement. Your Committees support the continuation of the About Face family of programs.

Your Committees have amended this measure by:

- (1) Changing the effective date from July 1, 2020, to July 1, 2060, for the purpose of encouraging further discussion; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1429, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1429, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Bunda, English, Kidani).

**SCRep. 1075 Tourism on H.B. No. 960**

The purpose of this measure is to expand the description of a tourism emergency to include a regional or worldwide economic crisis.

Your Committee received testimony in support of this measure from the Hawaii Tourism Authority, the Department of Business, Economic Development, and Tourism, Destinations Resorts Hawaii, the Grand Hyatt Kauai Resort and Spa, Hawaii Hotel and Lodging Association, the Chamber of Commerce of Hawaii, Retail Merchants of Hawaii, Outrigger Hotels, and Hilton Hawaii. Your Committee received testimony in opposition to this measure from one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that tourism is one of the primary economic engines of the State. Transferring the research and statistics duties from the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority will provide cohesiveness in the administration of tourism expansion.

Your Committee has amended this measure by:

- (1) Replacing "regional or worldwide economic crisis" with "national or global" economic crisis;
- (2) Transferring the research and statistics duties from the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority; and
- (3) Changing the effective date to "upon approval".

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 960, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 960, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Kidani).

**SCRep. 1076 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1611**

The purpose of this measure is to require truthful labeling of meat and fish that have been gas-treated.

Your Committee received testimony in support of this measure from one organization and one private citizen. Testimony in opposition to this measure was received from one state agency and one organization. Testimony with comments on this measure was received from one state agency and one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the United States Food and Drug Administration has determined that the use of safe levels of carbon monoxide in treating meat is not harmful to human health. However, it is possible for treated meat to appear fresh to the consumer but still contain high bacteria levels indicative of spoilage. It has been suggested that the "use, sell, or freeze by" date listed on packaged meat or fish may sometimes be extended due solely to the color of the contents rather than the actual freshness.

The Department of Health checks for adherence to proper labeling requirements and ensures that products are not offered for sale past their expiration dates through routine food safety inspections and other enforcement mechanisms. However, the Department of Health testified that it focuses most enforcement efforts on the accurate labeling of fish products, relying on the United States Department of Agriculture to enforce regulations for meat labeling. Your Committee notes that this measure is intended to focus primarily on the accurate labeling of meat products sold in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that a violation of the labeling requirements contained therein constitutes a misdemeanor offense;
- (2) Making it effective upon approval; and
- (3) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1611, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1611, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Tokuda, Hemmings).

**SCRep. 1077 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 951**

The purpose of this measure is to relieve landowners of liability for any damage, injury, or harm to persons or property outside the boundaries of the landowner's land caused by naturally occurring land failure originating on unimproved land, except for harm arising from negligent or wanton acts by the owner of the unimproved land.

Testimony in support of this measure was submitted by two state agencies, one county agency, one private organization, and three individuals. Testimony in opposition was submitted by four private organizations and two individuals. Comments were submitted by one state agency, one county agency, one private organization, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State of Hawaii owns and manages millions of acres of public lands, much of which is unimproved conservation or forest reserve land. This measure would allow the State to serve the public interest to keep these lands in their natural state without fear of liability for damages occurring outside the boundaries of its lands caused by unpredictable and naturally occurring land failures, such as landslides and rockfalls.

Your Committee has amended this measure by:

- (1) Clarifying that with regard to liability, if a dangerous condition is known, or by the exercise of ordinary care, could have been known by the landowner, the landowner has a duty to exercise reasonable care in the maintenance of the property to prevent any damage, injury, or harm to property on or outside of the landowner's property; and
- (2) Adding a new section to chapter 46, Hawaii Revised Statutes, as part of the county approval process, to require a study to determine rockfall risks, a risk assessment to determine the extent of risk, and creation of a hazard buffer zone or other mitigation if a hazard exists, for any plan not approved prior to July 1, 2009.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 951, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 951, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Ayes with Reservations, 3 (Fukunaga, Kokubun, Takamine). Noes, none. Excused, 1 (Bunda).

**SCRep. 1078 (Joint) Education and Housing and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 948**

The purpose of this measure is to:

- (1) Increase the reserved housing requirement for a development in the Kakaako Community Development District, Mauka Area, for lots three acres or more in area to twenty-five per cent of the countable floor area of the development; and
- (2) Direct the Hawaii Community Development Authority to submit a report prior to the convening of the 2017 Regular Session on its reserved housing program in the Kakaako Community Development District.

Testimony in support of this measure was submitted by three private organizations and one individual. Testimony in opposition was submitted by six private organizations. Comments were submitted by one state agency, two private organizations, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature’s website.

Your Committees have replaced the contents of this measure with S.B. No. 1350, S.D. 2, previously heard and approved by your Committees.

As amended, this measure:

- (1) Establishes reserved housing requirements of at least fifty per cent of the countable floor area for planned developments of at least 80,000 square feet, increasing to sixty per cent five years from the effective date of the measure;
- (2) Excludes community service use, including a public utility; special facility use; and industrial use from the countable floor area;
- (3) Excludes properties of one acre or less from the reserved housing requirement;
- (4) Allows in lieu cash payments to the Authority as an alternative to fulfilling the reserved housing requirements;
- (5) Requires that reserved housing units be built prior to or concurrent with a planned development;
- (6) Requires the Authority to adopt rules;
- (7) Provides for the adoption of applicable rules by means of an expedited process and indicates for what planned developments applications may or may not be accepted or processed by the Authority, pending adoption of such rules;
- (8) Exempts any major development for which a building permit is pending from being subject to the rules adopted pursuant to this measure, and clarifying that such developments are subject to the statutes and rules in effect on the date of the building permit application for a period of five years from the effective date of the Act, after which time the provisions of this Act are applicable to any unbuilt portions of the development; and
- (9) Makes the measure effective July 1, 2050, for the purposes of continuing discussion.

Your Committees have also considered a tiered “countable floor area” as follows:

<u>Reserved Housing</u>	<u>Land Area</u>
0 per cent	under 19,999 square feet
20 per cent	20,000 — 39,999 square feet
25 per cent	40,000 — 79,999 square feet
30 per cent	80,000 — 99,999 square feet
35 per cent	100,000 — 119,999 square feet
40 per cent	120,000 square feet and over

Your Committees find that the tiered approach is an alternative that merits consideration and urges further legislative discussion of this proposal, and its impacts on the development of reserved housing.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 948, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 948, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chairs on behalf of the Committees.  
 Ayes, 9. Noes, none. Excused, 3 (Takamine, Tsutsui, Hemmings).

**SCRep. 1079 (Joint/Majority) Water, Land, Agriculture and Hawaiian Affairs, Energy and Environment and Economic Development and Technology on H.B. No. 1271**

The purpose of this measure is to:

- (1) Establish a task force to review and investigate a broad range of energy and food security issues and develop an integrated energy and food policy;
- (2) Rename the Environmental Response Tax as the “Environmental Response, Energy, and Food Security Tax”;
- (3) Revise the Environmental Response, Energy, and Food Security Tax from five cents to an unspecified amount per barrel or fractional part of a barrel of petroleum product, and specify other funds into which portions of this tax will be deposited;
- (4) Establish a new Food Security Special Fund under the Department of Agriculture to serve as a depository of a portion of the Environmental Response, Energy, and Food Security Tax; and

- (5) Repeal for thirty-six months the mandate that all gasoline sold in the State for use in motor vehicles contain ten per cent of ethanol by volume.

Testimony in support of the measure was submitted by ten private organizations and twenty-eight individuals. Testimony in support of the measure, with suggested amendments or comments, was submitted by four private organizations. Testimony in support of the intent of the measure, with comments, was submitted by one private organization. Testimony in opposition to the measure was submitted by four state departments and one private organization. Comments were submitted by three private organizations. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the intent of this measure is to create a stable funding source to provide for long-term energy and food security in the State. With this funding and the establishment of the Hawaii Economic Development Task Force, Hawaii will have the capacity, scope, and funding to complete renewable energy projects, repair local food production infrastructure, and move projects forward that can accelerate Hawaii's transition to greater good and energy security. Your Committees find, however, that suspending the ethanol requirement for gasoline would counter the energy security goal of this measure and would negatively impact five proposed ethanol production projects that are currently in process.

Additionally, your Committees find that Act 209, Session Laws of Hawaii 2007, exempts from the general excise tax the gross proceeds arising from the sale of alcohol fuels for consumption or use by the purchaser and not for resale. Act 209 also provided that this exemption will be repealed on June 30, 2009. Your Committees feel that consumers should not be faced with increased gasoline prices from the proposed barrel fee increase and the increase in general excise tax on gasoline that will occur if the sunset clause on the exemption is not repealed.

Your Committees have left unspecified the amount of the barrel fee and the sums allocated between the various funds from the barrel fee, believing that the discussion regarding these specific matters should be continued by the Committee on Ways and Means, where fiscal matters are more appropriately addressed. Further, your Committees also recommend that the Committee on Ways and Means include in the measure that a portion of the barrel fee be used to plan for and help natural systems and communities cope with and mitigate the results of climate change caused by carbon dioxide (CO<sub>2</sub>) emissions from burning fossil fuels, as suggested by The Nature Conservancy.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the suspension of the ethanol requirement for gasoline;
- (2) Deleting the language comparing the costs of ethanol and oil;
- (3) Repealing the sunset clause for the general excise tax exemption on the sale of alcohol fuels in Act 209, Session Laws of Hawaii 2007; and
- (4) Making nonsubstantive, technical changes for style and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1271, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1271, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Ayes, 10. Noes, 1 (Hemmings). Excused, 4 (Bunda, English, Ige, Slom).

**SCRep. 1080 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 921**

The purpose of this measure is to expand the potential assignees of a homestead lease to include trustees of land trusts created for the purposes of managing and holding a homestead for the benefit of the lessee and the lessee's family member.

Testimony in support of this measure was submitted by two organizations. Testimony in opposition was submitted by one state agency and one public citizen. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Although your Committee recognizes the problems addressed by this measure, serious concerns have been raised regarding the legal issues involved with assigning the homestead lease to land trusts.

Your Committee finds that asserting the Legislature's management authority over ceded lands is an immediate concern that needs to be addressed in light of the recent United States Supreme Court oral arguments for *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, 117 Hawaii 174 (2008).

Your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 1085, S.D. 1, which was earlier passed by the Senate, with amendments and which prohibits the sale or transfer of ceded lands, with certain specified exceptions, until the claims of the native Hawaiian people have been resolved or until the Legislature finds by concurrent resolution that the State no longer supports reconciliation between the State and the native Hawaiian people; and
- (2) Inserting language to permit the Department of Hawaiian Home Lands to negotiate lease terms beyond sixty-five years, and provide a right of first refusal to previous lessees.

Your Committee notes that the recent United States Supreme Court oral argument referenced the ongoing legislative session. Justice Alito asked the Attorney General, "would there be anything to prevent the Hawaiian legislature from passing a law that says . . . we are going to impose a five-year moratorium on any transfer of these lands because we want to promote a reconciliation process?" Transcript of Oral Argument at 11, *Office of Hawaiian Affairs v. Housing and Community Development Corporation of Hawaii*, 117 Hawaii 174 (2008) (No. 07-1372). This line of inquiry was later iterated by Justice Breyer, indicating that the Justices are clearly

contemplating action by this Legislature. Transcript of Oral Argument at 16, *supra*. Justice Souter summed up the discussion by saying, “the Supreme Court of Hawaii, in effect, has said the land is tied up until these people who are currently negotiating, the State, the Native Hawaiians . . . all come to a . . . resolution and a reconciliation. . . They are just saying, no more land transfers until these people sit down and make up their differences.” Transcript of Oral Argument at 24-25. Thus, your Committee believes in light of the Hawaii State Supreme Court decision and the pending United States Supreme Court decision, action by this Legislature is the most efficient and widely accepted method of addressing the immediate problem of disposing of ceded lands. The United States Supreme Court clearly recognizes the political nature of the ceded lands claims, and the Hawaii State Supreme Court stated as much in their opinion.

In sum, all of the aforementioned pronouncements indicate that the issue of native Hawaiian title to the ceded lands will be addressed through the political process. In this case, Congress, the Hawaii state legislature, the parties, and the trial court all recognize (1) the cultural importance of the land to native Hawaiians, (2) that the ceded lands were illegally taken from the native Hawaiian monarchy, (3) that future reconciliation between the state and the native Hawaiian people is contemplated, and, (4) once any ceded lands are alienated from the public lands trust, they will be gone forever. For present purposes, this court need not speculate as to what a future settlement might entail- i.e., whether such settlement would involve monetary payment, transfer of lands, ceded or otherwise, a combination of money and land, or the creation of a sovereign Hawaiian nation; it is enough that Congress, the legislature, and the governor have all expressed their desire to reach such a settlement. In other words, . . . the State has a fiduciary duty as trustee to protect the ceded lands pending a resolution of native Hawaiian claims. 117 Hawaii at 213 (2008).

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 921, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 921, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Bunda).

**SCRep. 1081 (Majority) Public Safety and Military Affairs on H.B. No. 519**

The purpose of this measure is to facilitate eventual community reentry of inmates by requiring the return of all out-of-state inmates by December 31, 2015, and to require the Department of Public Safety to plan, design, and construct facilities sufficient to house all inmates by this date.

Testimony in support of this measure was submitted by two private organizations and two individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that the rehabilitation of criminal offenders is more effective and reduces the rate of recidivism if the offender’s incarceration is as close as possible to their home. Your Committee also finds that the return of Hawaii inmates incarcerated out-of-state to Hawaii will eliminate the State’s obligation to pay another jurisdiction substantial sums of money to detain Hawaii inmates.

Your Committee has amended this measure by:

- (1) Requiring the Director of Public Safety to return to Hawaii all women inmates that are detained or incarcerated in out-of-state prison or correctional facilities by December 31, 2011;
- (2) Requiring the Director of Public Safety to permit no more than a total of five hundred inmates from Hawaii to be incarcerated in out-of-state prison or correctional facilities by December 31, 2015;
- (3) Requiring the Department of Public Safety to pursue the viability of developing alternative programs or forms of incarceration, such as electronic monitoring, to detain or house the Hawaii inmates returning to Hawaii from a mainland prison or correctional facility; and
- (4) Making a technical, nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 519, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (Bunda, English, Gabbard).

**SCRep. 1082 (Majority) Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1766**

The purpose of this measure is to:

- (1) Allow the limited issuance of commercial use permits for vessels with assigned moorings in Ala Wai and Keehi Harbors;
- (2) Provide for future mooring fees to be established by appraisal by a state-licensed appraiser and assigned a schedule B rate, while existing mooring holders remain in a schedule A class that shall equal schedule B rates by July 1, 2014; and
- (3) Direct the Department of Land and Natural Resources to use the request for proposals process to enter into a public-private partnership for the development of portions of Ala Wai Harbor facilities that are presently under-used to maximize the revenue potential from its facilities.

Testimony in support of this measure was submitted by three organizations and four public citizens. Four organizations and five public citizens provided comments. Testimony in opposition was submitted by one state agency, six organizations, and thirty-three public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Ala Wai Harbor is badly in need of repair and replacement of floating docks, but its repair remains unfulfilled. In spite of this need, the Ala Wai Harbor includes assets within its facilities that are underused, which, if properly developed, can potentially generate revenues that could benefit not only its continued improvement and maintenance, but also benefit the rest of the facilities now operated by the Division of Boating and Recreation. Despite these difficult economic times, the State cannot afford to ignore the maintenance and repair needs of the State's small boat harbors.

Your Committee has amended this measure by:

- (1) Eliminating the authorization for the Board of Land and Natural Resources to lease submerged lands within an existing state boating facility;
- (2) Eliminating the list of designated areas within Ala Wai Harbor where the Department of Land and Natural Resources is authorized to lease fast lands using the request for proposals process for public-private development, management, and operation of the harbor;
- (3) Removing the provision that made it unnecessary for the Legislature to adopt a concurrent resolution in order to allow the lease of submerged lands;
- (4) Changing the effective date from July 1, 2020, to July 1, 2009; and
- (5) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1766, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1766, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Hemmings). Excused, 1 (Bunda).

**SCRep. 1083 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 901**

The purpose of this measure is to allow the State to most effectively and responsibly make progress toward meeting part of its constitutional, statutory, and moral obligation to native Hawaiians by addressing the additional amount of income and proceeds that the Office of Hawaiian Affairs is to receive from the public trust pursuant to Article XII, sections 4 and 6, of the Hawaii Constitution, for the period from November 7, 1978, to July 1, 2008.

Testimony in support of the measure was received from one state agency and two private organizations. One private organization testified in opposition to the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the issue of the State's obligation to transmit to the Office of Hawaiian Affairs a part of the income and proceeds of the public land trust has been an unresolved topic of discussion since 1978 when the State Constitution was amended to recognize the State's obligation to native Hawaiians. The inability to find a resolution of this issue is not because of a lack of effort or will. Since 1978, this issue has had the benefit of the effort and insight of four different governors and thirty legislative sessions.

Two state laws were enacted during this thirty year period: Act 273 in 1980, and Act 304 in 1990. Both Act 273 and Act 304 provided that twenty per cent of the funds derived from the public land trust was to be expended by the Office of Hawaiian Affairs to benefit native Hawaiians; however, both Acts faced legal challenges in Hawaii courts concerning the practical application of the twenty per cent apportionment established by the Legislature, with the last challenge resulting in Act 304 being effectively repealed so that once again, it became necessary for the Legislature to enact a new law.

Your Committee recognizes two new and significant events that make urgent legislative action on this issue this year:

- (1) The election of President Barack Obama, a native son of this State who grew up in the midst of these issues and has personal experience of this State's attempt to satisfy its obligation to the native Hawaiian people. President Obama has publicly stated his support for the reconciliation effort and the passage of the Akaka Bill which, upon passage, establishes the federal government's recognition of the legality and legitimacy of a sovereign native Hawaiian entity; and
- (2) The political situation in Congress this year has improved the chances for the passage of the Akaka Bill. The members of Hawaii's congressional delegation presently enjoy powerful and influential positions, and all four of Hawaii's congressional members have placed passage of the Akaka Bill as a high priority on their legislative agendas.

It is possible, if not probable, that the federal government will soon take action to pass the Akaka Bill, which will lead to recognition of the reorganized single native Hawaiian governing entity and the reaffirmation of the special political and legal relationship between the United States and the native Hawaiian governing entity for the purposes of continuing a government-to-government relationship. The income and proceeds that the Office of Hawaiian Affairs is to receive from the public land trust shall be transferred at the time of federal and state recognition to the sovereign native Hawaiian entity. It is important and only proper that the State, in light of the federal government's progress on the issue of federal recognition of the sovereign native Hawaiian entity, fulfill its obligation which has remained unfulfilled for more than thirty years.

Equally important is the recognition that the question of *how* the State satisfies its obligation to native Hawaiians is to be determined by the Legislature, and not the executive or judicial branches of state government.



On this point, the Hawaii Supreme Court has stated in *Office of Hawaiian Affairs v. State of Hawaii*, 96 Hawaii 388, at 401 (2001), that:

. . . the State's obligation to native Hawaiians is firmly established in our constitution. How the State satisfies that constitutional obligation requires policy decisions that are primarily within the authority and expertise of the legislative branch. As such, it is incumbent upon the legislature to enact legislation that gives effect to the right of native Hawaiians to benefit from the ceded lands trust. *See* Haw. Const. Art. XVI, Section 7. . . . [W]e trust that the legislature will re-examine the State's constitutional obligation to native Hawaiians . . . and enact legislation that most effectively and responsibly meets those obligations. (emphasis added)

Also, agreeing on this point are the statements and positions of General Bennett in the recent oral arguments before the United States Supreme Court in *Hawaii vs. Office of Hawaiian Affairs*, No. 07-1372. See the following excerpts of the transcript of the oral arguments:

- (1) Questioning by Justice Breyer, beginning on page 16, line 13:

JUSTICE BREYER: **Could the Hawaiian Legislature pass a law** saying that the Native Hawaiians have claims? Those claims, because of the Federal 1950 – whatever it is – are not valid any more. But that was pretty unfair to them. And, therefore, what we think we should do is the following. And then they pass a whole lot of things that they think would be appropriate to do in light of what I just said. What stops that?

MR. BENNETT: Your Honor, the – **legislature has wide discretion in managing and disposing of the assets.** (emphasis added)

- (2) Questioning by Justice Ginsburg, beginning on page 16, line 25:

JUSTICE GINSBURG: And the legislature, if they wanted to – as I understand the Admission Act, it lists five purposes to any one purpose. And the **legislature, if it so chose, could say**, we want this property – the proceeds from this property to be for the exclusive betterment of the conditions of the Native Hawaiians. They could. **It would be up to the legislature** to give it all to the Native Hawaiians.

MR. BENNETT: **That would not violate the Admission Act, your Honor.** (emphasis added)

- (3) Questioning by Justice Scalia, beginning at page 17, line 12:

JUSTICE SCALIA: Would it violate the Admission Act if the **legislature** had not said – said we are giving it to them because we want to, because we think it's a good idea. No, we are giving it to them because we think they have a right to it.

MR. BENNETT: Your Honor-

JUSTICE SCALIA: And we feel that we must give it to them because it's theirs.

MR. BENNETT: Your Honor, the –

JUSTICE SCALIA: Would that violate the Admission Act?

MR. BENNETT: **The legislature believed that it bettered the condition of Native Hawaiians to provide proceeds from land to the Native Hawaiians. The Admissions Act gives them that ability to do it.** (emphasis added)

Furthermore, Governor Lingle stated at the end of the 2008 Legislative Session that her staff will not return to the negotiating table with Office of Hawaiian Affairs leaders. (*See*, “*Ceded-Land Deal at Impasse*,” written by Gordon Y.K. Pang, The Honolulu Advertiser, May 6, 2008.) Quoted also in this news article was Mr. Lenny Klompus, Governor Lingle's Senior Advisor – Communications: “[s]he (Governor Lingle) would not resume negotiations with OHA or offer any new proposals to the Legislature regarding the settlement.” The news article goes on to state that Mr. Klompus said that the administration was seeking to help the Legislature with its responsibility. Clearly, Governor Lingle and her staff views the legislative body as having primary if not total responsibility to address and negotiate the issue of *how* the State satisfies its obligation to native Hawaiians.

Thus, it is clear that both Hawaii's judicial and executive branches of government are looking to the Legislature to take the lead to answer the question of *how* the State satisfies its obligation to native Hawaiians. This recognition, coupled with the urgency of the State's need to act expeditiously in light of the favorable political situation in Washington D.C. on the native Hawaiian sovereignty issue, requires this Legislature to enact legislation this year.

Furthermore, your Committee is aware of concerns that the continuation of the \$15.1 million in annual payments beyond the current fiscal year from the State to the Office of Hawaiian Affairs is not guaranteed. Your Committee understands and acknowledge the concern that future legislative actions may diminish or eliminate this arbitrary payment and that this leaves the Office of Hawaiian Affairs in an untenable situation having to rely on such a large and uncertain source of funds.

Your Committee is also aware of the negotiations between the Office of Hawaiian Affairs and past governors and the present governor toward meeting the State's obligation to native Hawaiians as set forth in the State Constitution. Your Committee finds that the issue has evolved into two principal aspects, one regarding a resolution of the past obligations (i.e., from November 7, 1978 to the present), and the other regarding a resolution of the future obligations (i.e. from the present to the final reconciliation of the claims of the native Hawaiian people).

Your Committee believes that the appropriate approach to a resolution of these issues is to either:

- (1) Provide the framework for the State to reach a “global settlement” which shall include the past and future obligations of the State to the native Hawaiian people; or

- (2) Make progress toward meeting a part of the State's past obligations to native Hawaiians by addressing the additional amount of income and proceeds that the Office of Hawaiian Affairs is to receive from the public land trust pursuant to article XII, sections 4 and 6 of the Hawaii Constitution, for the period from November 7, 1978 to July 1, 2008.

Your Committee has amended this measure to accomplish the above as follows:

- (1) Part I of the amended measure sets forth this Legislature's attempt to reach a "global settlement" of the past and future obligations of the State to the native Hawaiian people. Your Committee finds that the proposal previously made by Governor Ben Cayetano in March 31, 1999, is a sensible and appropriate approach toward a "global settlement" and that it should be re-offered to the Office of Hawaiian Affairs.

The "global settlement" offer includes:

- (A) Monetary payment to the Office of Hawaiian Affairs of \$251 million;
- (B) Conveyance of public lands from the State to the Office of Hawaiian Affairs equal to twenty per cent of the 1.8 million acres of ceded lands already inventoried; and
- (C) The suspension of the \$15.1 million in annual payments to the Office of Hawaiian Affairs effective upon a date to be agreed upon in good faith between the State and the Office of Hawaiian Affairs.

The Office of Hawaiian Affairs shall make a decision to accept or reject the "global settlement" and notify the Governor, the President of the Senate and the Speaker of the House of Representatives of its decision in writing on or before January 1, 2010. Any failure to properly and timely respond to the "global settlement" offer shall be deemed to be a rejection of the "global settlement."

The Legislature may structure the payment of the \$251 million over time provided that the payment plan shall include the following:

- (A) Interest on the principal balance at the rate provided by law under section 478-2, Hawaii Revised Statutes; and
- (B) Equal annual payments commencing on a date to be agreed to in good faith by and between the State and the Office of Hawaiian Affairs. The State may fund the \$251 million through the issuance of general obligation bonds.

The conveyance of public lands equal to twenty per cent shall be on an "acre for acre" basis (i.e., twenty per cent of 1.8 million acres as opposed to twenty per cent of the combined value of the 1.8 million acres); however, the Office of Hawaiian Affairs and the State may agree to a different method of calculation, provided that the different method of calculation must be determined prior to July 1, 2010.

- (2) If a "global settlement" cannot be reached, Part II of the measure sets forth the Legislature's approach to alternatively address the issue regarding past obligations only. The dollar value of \$200 million represents the amount agreed to between the Office of Hawaiian Affairs and Governor Lingle regarding the resources that should be provided for the period between November 7, 1978, and July 1, 2008. Your Committee finds that \$200 million for the past obligations is a fair and reasonable payment.

At the discretion of the Office of Hawaiian Affairs, payment of the \$200 million may be accomplished by either:

- (A) A \$200 million monetary payment;
- (B) Conveyance of properties in the public land trust with a combined tax assessed value of \$200 million; or
- (C) A combination of cash payments and conveyance of properties totaling \$200 million.

If the Office of Hawaiian Affairs chooses to accept a \$200 million monetary payment, it must notify the Governor, the President of the Senate and the Speaker of the House of its decision in writing by January 1, 2010. Failure of the Office of Hawaiian Affairs to respond to the Governor, the President of the Senate and the Speaker of the House by January 1, 2010, shall be deemed to be a rejection of the Office of Hawaiian Affairs' right to accept the \$200 million monetary payment option.

If the Office of Hawaiian Affairs chooses the \$200 million monetary payment option, the Legislature may structure the payment of \$200 million over time provided that the payment plan shall include the following:

- (A) Interest on the principal balance at the rate provided by law under section 478-2, Hawaii Revised Statutes; and
- (B) Equal annual payments commencing on a date to be agreed to in good faith by and between the State and the Office of Hawaiian Affairs. The State may fund the \$200 million through the issuance of general obligations bonds.

If the Office of Hawaiian Affairs rejects the \$200 million monetary payment option, it shall select and receive from the State certain public lands, provided that the combined value of the properties selected by the Office of Hawaiian Affairs shall not exceed \$200 million. The public lands to be offered to the Office of Hawaiian Affairs are the following:

- (A) From Governor Lingle's 2008 proposal, the Kakaako and Kalaeloa properties.
- (B) From former Governor Waihee's prior proposal, Waikiki Yacht Club, Army and Air Force Exchange Services ("AAFES") Building in Kakaako, Pier 60 at Sand Island, the accreted peninsula at Keehi Lagoon.
- (C) The Senate's Proposal: Mauna Kea, La Mariana and submerged lands (Pier 60 Area), State-owned fishponds, Kahana Valley and Beach Park, and the Heeia meadowlands.

The Office of Hawaiian Affairs shall select the properties on the later of July 1, 2010, or six months after all of the property information is provided from the State. The value of the property shall be its most recent tax assessed value, adjusted by the twenty per cent offset of all ceded lands conveyed to the Office of Hawaiian Affairs.

To the extent the combined value of the properties received by the Office of Hawaiian Affairs is less than \$200 million, the difference shall be paid to the Office of Hawaiian Affairs by the State pursuant to a payment plan with the following terms:

- (A) Interest on the principal balance at the rate provided by law under section 478-2, Hawaii Revised Statutes; and
- (B) Equal annual payments commencing on January 1, 2011 and ending on January 1, 2015.

The current \$15.1 million in annual payments from the State to the Office of Hawaiian Affairs shall remain uninterrupted for FYs 2009-10 and 2010-11. Your Committee again notes and recognizes the possibility of the reduction or elimination of the prospective \$15.1 million payments and that this information is provided to the Office of Hawaiian Affairs so that it may be taken into consideration when analyzing the options contained in Part II of the amended measure;

- (3) In either settlement option, the specific public lands that are to be conveyed by the State to the Office of Hawaiian Affairs is to be determined by negotiation between the Governor and the Office of Hawaiian Affairs with reasonable diligence, in good faith, and shall be completed on or before January 1, 2015, unless mutually extended by the State and the Office of Hawaiian Affairs;
- (4) Upon executing a settlement agreement, the Governor shall include in the Governor's financial plan for the years following the executed settlement agreement, the payments to be made and any revenue impact experienced from the conveyance of any land to the Office of Hawaiian Affairs; and
- (5) The Office of Hawaiian Affairs and the Governor's Office are required to submit a report on the status of the negotiations to the Legislature no later than twenty days prior to the convening of the 2010 Regular Session.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 901, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 901, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Government Operations and Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Takamine, Hemmings).

**SCRep. 1084 Ways and Means on H.B. No. 993**

The purpose of this measure is to propose a constitutional amendment concerning the disposition of projected excess state revenues.

Specifically, the measure requires that in any regular session of the Legislature during which the Council on Revenues estimates that for a second consecutive year, the general fund revenues in the current fiscal year will exceed the general fund revenues collected in the prior fiscal year by at least seven per cent, the Legislature shall set aside:

- (1) One per cent of general fund revenues collected in the prior fiscal year as a tax credit or tax refund for state taxpayers; and
- (2) Moneys in excess of the seven per cent of the amount by which the current fiscal year revenues are estimated to exceed revenues from the prior fiscal year, and deposit the revenues into the emergency and budget reserve fund, subject to certain conditions.

Your Committee received testimony from one organization that supported the purpose and intent of the measure. One state department opposed the measure, and one state department and one organization submitted comments. The testimony may be reviewed on the Legislature's website.

Your Committee finds that the current state and national economy illustrates the wisdom of establishing a financial reserve during a strong economy. While your Committee agrees that an increase in general revenues should be shared with taxpayers, your Committee also believes it is prudent to set aside a portion of the estimated increase to meet state obligations when the State's financial situation is not as prosperous.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 993, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 1085 (Joint) Human Services and Education and Housing on S.C.R. No. 6**

The purpose of this measure is to request that:

- (1) All public and private senior housing agencies identify all residents who are sole or primary caretakers for a grandchild; and
- (2) Each agency make appropriate exemptions in policies, procedures, and house rules to allow seniors who provide sole or primary care for one or more grandchildren to remain in their rental unit until more suitable housing is obtained.

Testimony in support of this measure was submitted by the Ko'olaupoko Hawaiian Civic Club and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committee finds that The 2007 Needs Assessment of Grandparents Raising Grandchildren reports that over 14,000 grandparents in Hawaii are primary caregivers for over 33,000 grandchildren, and it is estimated that they save the State approximately

\$17,000,000 per month by caring for their grandchildren outside the foster care system. In addition to direct care, these grandparents play an important part in ensuring the wellbeing of the grandchildren.

Your Committees further find that it would benefit both managers and all residents of senior housing to clarify procedures that allow grandparents to remain in senior housing while caring for a grandchild or grandchildren.

Your Committees have amended this measure by making technical amendments for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 6, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 6, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1086 Human Services on H.C.R. No. 44**

The purpose of this measure is to declare the month of April as "Child Abuse Prevention Month".

Testimony in support of this measure was submitted by two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that child abuse and neglect pose a serious threat to Hawaii's children. Your Committee supports the designation of the month of April as "Child Abuse Prevention Month" and encourages the people of Hawaii to engage in child abuse-prevention activities especially during the month of April.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 44, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 44, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1087 Human Services on H.C.R. No. 38**

The purpose of this measure is to recognize October 2009 as "Domestic Violence Awareness Month" in the State of Hawaii.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that domestic violence is a social problem that affects a large number of women, yet many people are unaware of the severity and high incidence of domestic violence. Your Committee further finds that designating the month of October as "Domestic Violence Awareness Month" would promote awareness of the high prevalence and incidence, and devastating effects of domestic violence, and that greater awareness is a step of progress toward ending domestic violence.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 38, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 38, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1088 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 278**

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 278 CARLOS WARTER MD, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Carlos Warter MD is a psychiatrist in private practice. From 2005 to 2007, he was Clinical Assistant Professor in the Department of Complimentary and Alternative Medicine at the University of Hawaii John A. Burns School of Medicine. From 2001 to 2004, he was Clinical Associate Professor of Psychiatry at the University of Miami School of Medicine. Dr. Warter is a graduate of the University of Chile School of Medicine. He received post-graduate training at Children's Hospital, Harvard Medical School, and the University of Chile Department of Psychiatry. The nominee currently serves on the Medical Advisory Board.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the

nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1089 Commerce and Consumer Protection on H.B. No. 1075**

The purpose of this measure is to update various provisions of article 10H of the Insurance Code in order to reflect changes made by Act 233, Session Laws of Hawaii 2007.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and American Council of Life Insurers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that with the aging of Hawaii's population and attendant increase in demand for long-term care, it is very important that the laws governing long-term care insurance are effective and up-to-date. Your Committee finds that this measure accomplishes that goal by updating references within the Insurance Code to ensure that the law in this area is clear and unambiguous.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1075, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1075, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Sakamoto, Hemmings).

**SCRep. 1090 (Joint) Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs on H.B. No. 1061**

The purpose of this measure is to guarantee the continued operation of water and sewer services by allowing the Public Utilities Commission to take necessary action and appoint a receiver when a regulated public utility fails to provide adequate and reasonable service.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Public Utilities Commission. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the reliable provision of basic services such as water and sewer services is essential for the health, safety, and welfare of Hawaii's residents. Your Committees further find that the current law does not contain express authority for the Public Utilities Commission to act on behalf of a regulated water or sewer utility's customers if a utility experiences an urgent, serious, and imminent threat to its ability to provide adequate services. Your Committees find that this measure will allow the Public Utilities Commission to appoint a receiver to operate a failed or failing regulated water or sewer utility in the event that it ceases to operate, or operates on a substandard or unacceptable level.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purpose of clarity and accuracy in its language.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1061, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1061, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1091 (Majority) Public Safety and Military Affairs on H.B. No. 632**

The purpose of this measure is to ensure that the membership of the Policy Advisory Board on Veterans' Services represents the full range of veterans' interests by requiring the Governor, in appointing members, to ensure that all minority viewpoints are represented, including issues of concern to women veterans.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a Board comprising members from a variety of backgrounds will be better suited to equitably resolve issues that are of concern to veterans. Your Committee also finds that requiring membership on the Board to include women members will help to specifically address the concerns of women veterans.

Your Committee has amended this measure by:

- (1) Deleting the Governor's requirement to appoint members that represent the viewpoints of all minorities, including those concerns of women; and
- (2) Adding the requirement that three members of the Policy Advisory Board on Veterans' Services shall be women.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 632, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 632, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Hemmings). Excused, 3 (Bunda, English, Gabbard).

**SCRep. 1092 Tourism on Gov. Msg. No. 477**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 477 RONALD K. WILLIAMS, for a term to expire 6-30-2010.

Upon review of the statement submitted by the nominee, your Committee finds that Ronald K. Williams will work with compassion and commitment to assist in administering the functions related to tourism for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Directors of the Hawaii Tourism Authority to which he has been nominated.

Your Committee received testimony supporting the nomination of Ronald K. Williams from McNeil Wilson Communications, the Polynesian Cultural Center, Leadership Works, LLC, Atlantis Submarines Hawaii, LLC, the Activities and Attractions Association of Hawaii, the Tourism Liaison of the Department of Business, Economic Development, and Tourism, the Ocean Tourism Coalition, MCA, Inc., Maui Visitors Bureau, Pleasant Holidays-Hawaii, Cades Schutte, LLP, E Noa Corporation, and three individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Kidani).

**SCRep. 1093 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 420**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE ALOHA TOWER DEVELOPMENT CORPORATION

G.M. No. 420 JASON T. OKUHAMA, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Jason T. Okuhama to have the necessary qualifications to be nominated to the Board of Directors of the Aloha Tower Development Corporation.

Testimony in support of the nomination of Mr. Okuhama was submitted by two state agencies and seventeen individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Okuhama is a Managing Partner of Hawaii Lending Specialists, LLC, dba Commercial and Business Lending. Mr. Okuhama's previous positions include Senior Vice President of B&I Lending, LLC, Vice President/Business Loan Officer for Bank of America, and Business Loan Officer for the Financial Assistance Branch of the Hawaii Department of Business, Economic Development, and Tourism (DBEDT).

Mr. Okuhama is the current Board President of the Hawaii Alliance for Community Based Economic Development and founding member of Lokahi Pacific Rural Development, Inc. He has served on numerous committees, including planning or steering committees for the Hawaii Community Loan Fund, DBEDT Small Business Advisory Group, Hawaii Congress on Small Business, and Community Based Economic Development Conference. Mr. Okuhama has also held various leadership positions with organizations such as the Waimea Jaycees and the Exchange Club of Waimea.

Mr. Okuhama has served on the Board of Directors of the Aloha Tower Development Corporation (ATDC) since May of 2006 as an at-large member. His background in private financing, commercial lending, and business has made Mr. Okuhama a valuable asset to the ATDC. Testifiers describe Mr. Okuhama as a hard worker of high integrity and dedication, good reputation within the finance community, strong commitment to economic development and rural community concerns, and outstanding leadership and character who would continue to contribute a wealth of experience and knowledge to the ATDC.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 1094 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 458**

Recommending that the Senate advise and consent to the nomination of the following:

MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 458 STEVEN L. ARCE, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Steven L. Arce to have the necessary qualifications to be nominated to the Molokai Irrigation System Water Users Advisory Board.

Testimony in support of the nomination of Mr. Arce was submitted by one state agency, one organization, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Arce is currently a Farm Tractor Operator for Mycogen Seeds. He is a member of the Hikiola Agricultural Cooperative and previously managed the operations of Molokai Hay, a farm business that harvests and sells grass to owners of horses, cattle, and goats, for twelve years.

Mr. Arce has voluntarily served on the Molokai Irrigation System Water Users Advisory Board since July 2007 as the representative of the Molokai Farm Bureau. According to testimony, he has attended every scheduled meeting of the Board and has participated in all Roadmap to Improvement Meetings. Mr. Arce's extensive farming experience, knowledge of the Molokai Irrigation System, understanding of the challenges farmers face, and commitment to sustainable agriculture on Molokai make him an excellent candidate to serve another term on the Board.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 1095 Education and Housing on S.C.R. No. 84**

The purpose of this measure is to request the State Auditor to:

- (1) Conduct an immediate financial statement audit of the Waters of Life Public Charter School for fiscal year 2006-2007 and fiscal year 2007-2008; and
- (2) Report the findings and recommendations to the Superintendent of Education, Executive Director of the Charter School Administrative Office, Chair of the Charter School Review Panel, and Director of the Waters of Life Public Charter School, immediately upon completion of the audit; and to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to ensure that state funds are being used responsibly and are being accounted for in a fiscally sound manner.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

**SCRep. 1096 Education and Housing on S.C.R. No. 34**

The purpose of this measure is to request the Department of Education to conduct a feasibility study to examine the fiscal, curriculum, and other impacts of a longer school day for elementary school students, and report the findings and recommendations to the 2010 Legislature.

Testimony in opposition to this measure was submitted by one state agency. One private organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has heard that extending the elementary school day would have far reaching implications, and that all aspects would warrant consideration in a feasibility study. An extended school day would affect transportation and food service schedules, contracts with a multitude of vendors providing direct services to the schools, as well as collective bargaining agreements. In addition, any extension would affect the entire system as many of the services provided to schools are coordinated across different levels.

Your Committee understands, for example, that reducing the number of school days per year for elementary schools in isolation would still require the Department of Education to operate facilities and support services for the middle and high schools that would remain in session. The high school students who are often caregivers to their younger siblings would not be available to provide that service. In addition, multi-level schools would be forced to remain open to accommodate the middle and high school schedules, thus reducing the efficiency of their daily operations.

Your Committee agrees that these concerns have merit. However, your Committee believes that, given the immediate and longer-term economic constraints facing the State, educational alternatives should be considered.

Your Committee has amended this measure to focus the study on a four-day week for all students, by:

- (1) Amending the title to read: REQUESTING THE DEPARTMENT OF EDUCATION TO CONDUCT A FEASIBILITY STUDY TO EXAMINE THE FISCAL, CURRICULUM, AND OTHER IMPACTS OF A FOUR-DAY SCHOOL WEEK FOR SCHOOL COMPLEXES; and
- (2) Amending the body of the Concurrent Resolution to reflect this change in focus.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, 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. 34, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Hemmings).

**SCRep. 1097 Education and Housing on S.C.R. No. 31**

The purpose of this measure is to request the Auditor to conduct a management and financial audit of the Hawaii Public Housing Authority's maintenance contracts and to investigate reports of disrepair, noncompliance with the Americans with Disabilities Act, and other concerns of residents; and report the findings and recommendations to the 2010 Legislature.

Testimony in support of this measure was submitted by two private organizations. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that while the Hawaii Public Housing Authority has made improvements to its management in recent years, considerably more work remains to correct past deficiencies. Your Committee has heard from the Authority that the year 2008 inspections by the Department of Housing and Urban Development revealed that four asset management projects failed to meet federal requirements for physical condition of the projects, including two managed by private contractors and two managed by Hawaii Public Housing Authority staff, and that it may be more prudent to focus the audit on specific projects that require the most immediate attention.

Your Committee has amended this measure by:

- (1) Amending the title to read: REQUESTING THE AUDITOR TO CONDUCT A REVIEW OF THE PERFORMANCE OF THE MANAGEMENT OF THE PUUWAI MOMI AND WEST OAHU ASSET MANAGEMENT PROJECTS (KNOWN AS AMP 30 AND AMP 44) TO COMPARE THE PERFORMANCE OF STATE OPERATED AND PRIVATELY OPERATED PUBLIC HOUSING PROPERTIES; AND TO DETERMINE THE RELATIVE CONTRIBUTIONS OF FUNDING LEVELS, MISMANAGEMENT, AND TENANT AND VISITOR ACTIONS TO THE FAILURE TO MEET STANDARDS;
- (2) Adding Whereas clause language referencing current management procedures, the results of year 2008 inspections by the Department of Housing and Urban Development, and the status of maintenance at Palolo Housing and Kuhio Park Terrace;
- (3) Amending the scope of the audit as reflected in the title of the measure; and
- (4) Adding to the scope of the audit, a request to the Auditor to undertake a broader review of the process by which the Authority currently evaluates management and maintenance contracts.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, 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. 31, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Tsutsui).

**SCRep. 1098 Higher Education on S.C.R. No. 123**

The purpose of this measure is to:

- (1) Request the Auditor to conduct a study of the Community Colleges of the University of Hawaii System to determine if it would be beneficial to establish a separate statewide system for the Community Colleges; and
- (2) Report the findings and recommendations to the 2010 Legislature.

Comments on this measure were provided by the University of Hawaii System. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has heard that a task force created pursuant to Act 188, Session Laws of Hawaii 2008, is in the process of developing an approach to formula funding for the University of Hawaii, including the community colleges. The University has stated that while still in development, the proposed formula accounts for the differential costs of providing education at the community colleges, the baccalaureate institutions, and the University of Hawaii at Manoa, and that many of the concerns raised in this measure would be addressed through that effort.

While your Committee understands that there may be some duplication in the information to be gathered, this measure focuses on issues beyond funding formulas. In addition, your Committee believes that the information to be included in the Auditor's report may prove beneficial to the University and to the new President as the President is engaged in reviewing all aspects of the University of Hawaii System.

Your Committee has amended this measure by:

- (1) Deleting the Whereas clause related to numbers of students, entry level requirements, and per capita funding;
- (2) Adding Whereas clause language to clarify the differences between the baccalaureate campuses and the community colleges regarding staffing ratios and staff support, missions, and administrative requirements;
- (3) Adding an additional Whereas clause regarding the advantages of establishing a governance system just for community colleges; and



- (4) Requiring the Auditor to include in the report the academic advantages and disadvantages, including an assessment of the various means currently employed to effect articulation for community college students that would either no longer be necessary or improved upon by the separation of governance.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 123, 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. 123, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1099 (Joint) Human Services and Commerce and Consumer Protection on S.C.R. No. 17**

The purpose of this measure is to request the Auditor to conduct an impact assessment report of the social and financial impacts of mandating health insurance coverage for medically necessary early intervention services for infants and toddlers from birth to age three.

Testimony in support of this measure was provided by the State Council on Developmental Disabilities, Hawaii Early Intervention Coordinating Council, and Kaiser Permanente. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that early intervention services have a positive impact on the quality of life for children with special health care needs and their families. Your Committees further find that passage of this measure is a necessary condition under section 23-51, Hawaii Revised Statutes, to considering S.B. No. 795, which mandates health insurers to provide coverage for medically necessary early intervention services for certain infants and toddlers.

Your Committees have amended this measure as follows:

- (1) By requesting the Auditor to review and report findings on the benefits and services mandated by relevant state and federal laws, services currently provided by the State, and funding the State receives from the federal government to provide these services; and
- (2) By making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 17, 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. 17, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1100 (Joint) Human Services and Transportation, International and Intergovernmental Affairs on S.C.R. No. 13**

The purpose of this measure is to encourage:

- (1) The State and the counties take action to stimulate individual savings and development of credit and to formulate an inventory of banking services available to low-income persons and those with no credit history in the State;
- (2) The State and the counties to take steps to accurately identify the unbanked and the underbanked populations in Hawaii; and
- (3) The State and the counties to collaborate with local financial institutions to integrate the unbanked and underbanked populations into the financial mainstream and to encourage local financial institutions to redouble their efforts to recognize and pursue the potentially huge and previously untapped unbanked and underbanked markets.

Testimony in support of this measure was provided by the Department of Commerce and Consumer Affairs, the Hawaii Bankers Association, the Hawaii Credit Union League, VISA, the Hawaii Alliance for Community Based Economic Development (HACBED), and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that in the United States, forty million households are financially underserved, comprising about twenty-eight million unbanked individuals and almost forty-five million underbanked individuals. The unbanked consist of diverse groups of people who do not have checking or savings accounts and who remain outside the banking mainstream for many reasons. The underbanked consist of people or businesses that have poor access to mainstream financial services such as banks and so rely upon alternative financial services targeted for the less advantaged, such as check cashers, loan sharks, and pawnbrokers.

Your Committees also find that handling payments through a bank account provides a gateway for households to enter the financial mainstream and become owners of financial assets. Those who own bank accounts are more likely to own other assets, including accounts related to savings, credit, and insurance, while those without financial accounts are less likely to own a home and a car. Consumers without a relationship with a mainstream financial institution also pay high transaction fees for services, such as check cashing, and pay interest rates to purchase items through rent-to-own companies.

As affirmed by the records of votes of the members of your Committees on Human Services and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 13 and recommend that it be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 1 (Slom).

**SCRep. 1101 Education and Housing on S.C.R. No. 86**

The purpose of this measure is to request the Department of Education to develop an inventory of all textbooks currently in use in all public schools, and to report the findings and recommendations to the 2010 Legislature.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Department of Education is in support of this measure and that the Department will explore existing informational databases regarding modifications that can be made to include information about the publication date of all textbooks currently in use, classification of textbooks in elementary, middle, and high school grade levels, adequacy of the inventory of books in relation to the number of students, and a list of recommended textbooks.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 86 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Chun Oakland, Tsutsui).

**SCRep. 1102 Education and Housing on S.C.R. No. 150**

The purpose of this measure is to urge the Superintendent of Education to establish and facilitate a Special Education Private School Task Force to:

- (1) Advise the Department of Education on policies or procedures for oversight and monitoring of private school or facility placements;
- (2) Review data collected by the Department regarding oversight and monitoring;
- (3) Advise the Department on efforts to improve and streamline oversight and monitoring; and
- (4) Report its findings and recommendations to the 2011 Legislature.

Testimony in support of this measure was submitted by two government agencies, five private organizations, and twenty individuals. Two individuals testified in opposition. One individual submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that students with disabilities are placed in private schools or facilities as a result of an Individualized Education Program team decision, a due process hearing decision, or a settlement agreement. Pursuant to the Individuals with Disabilities Education Improvement Act of 2004 (IDEA), the Department of Education is required to provide a free appropriate public education to all students with disabilities, including students placed in a private school or facility at public expense, and to monitor every student's progress.

Your Committee has heard that in the past, the Department has sometimes been denied timely access to monitor these students and their educational records because they were not educated on a public school campus. Your Committee believes that through the task force to be convened by this measure, the Department will be able to study the barriers and strengths of the current monitoring system and determine how best to correct any deficiencies.

Your Committee has also considered concerns regarding the inclusion of the Senior Hearings Officer from the Department of Commerce and Consumer Affairs, Office of Administrative Hearings, or a designee, as a member of the Task Force, since placement may be determined through the hearings process. Your Committee has heard extensive discussion, and finds the Senior Hearings Officer should remain a member.

First, your Committee notes that the role of the Special Education Private School Task Force is advisory in nature. Second, your Committee believes that the information and professional experience that the Senior Hearings Officer brings to the Task Force far outweigh any possible conflict of interest that may occur. Third, should a potential conflict arise, the Senior Hearings Officer or designee may be excused from participation in that instance.

Your Committee has amended this measure to sunset the Special Education Private School Task Force on June 30, 2011.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 150, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 150, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 1103 Education and Housing on S.C.R. No. 149**

The purpose of this measure is to request the Board of Education to:

- (1) Modify public high school graduation requirements by requiring fifty hours of community service from all students as part of the Department of Education's Civic Responsibility requirement; and
- (2) Report its findings and recommendations to the 2010 Legislature.

Testimony in support of this measure was submitted by one private organization and one individual. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that community service programs not only present students with the chance to participate in unique, real-world learning experiences, but also teach them the value and importance of civic responsibility and engagement. In addition, these programs bring schools together with local nonprofit organizations and state departments for the benefit all parties involved, providing the community with much-needed volunteer support and the students with the opportunity to connect with and give back to their communities.

Your Committee has amended this measure to clarify that, if appropriate, this requirement may be modified, based on the student's Individualized Education Program or Personalized Educational Plan.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 1104 (Joint) Education and Housing and Higher Education on S.C.R. No. 146**

The purpose of this measure is to request the Hawaii P-20 Partnerships for Education to:

- (1) Convene the appropriate agencies to examine current and emerging programs seeking to track student progress and develop a longitudinal data system for students beginning in early childhood programs to grade twelve, and beyond to higher education and the workforce;
- (2) Establish a data sharing agreement to support a longitudinal data system and to meet requirements of the American Recovery and Reinvestment Act of 2009; and
- (3) Report its findings and recommendations to the 2011 Legislature, including the status of a state longitudinal data system, and a timeline and resources needed to develop, implement, maintain, and use a state longitudinal data system.

Testimony in support of this measure was submitted by four state agencies. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that Hawaii P-20, a statewide partnership of the Good Beginnings Alliance, Department of Education, and the University of Hawaii to improve educational outcomes for Hawaii, has been coordinating a Department of Education and University of Hawaii effort to link student data from public secondary to postsecondary education. Additionally, your Committees understand that Hawaii P-20 is leading an effort of the University of Hawaii, the Department of Education, the Department of Business, Economic Development and Tourism, and the Department of Labor and Industrial Relations to plan for a longitudinal data system that spans from early childhood education to the workforce. Your Committees find that this measure will assist in the effort to gather this vital information.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 146 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 5 (Baker, Taniguchi, Tsutsui, Hemmings, Slom).

**SCRep. 1105 (Joint) Education and Housing and Transportation, International and Intergovernmental Affairs on S.C.R. No. 88**

The purpose of this measure is to urge the Hawaii Housing Finance and Development Corporation to:

- (1) Establish a Transit Oriented Development Task Force to facilitate mixed-income and affordable housing in transit oriented developments by better coordinating transportation and housing planning and programs;
- (2) Report its findings and recommendations, including any proposed state or county legislation, to the 2010, 2011, and 2012 Legislatures; and
- (3) Sunset the Transit Oriented Development Task Force on December 31, 2011.

Testimony in support of this measure was submitted by one state agency, one county agency, and one private organization. Comments were submitted by one private organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure provides a means of building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Your Committees have heard the concerns of the Hawaii Housing Finance and Development Corporation regarding the expertise required to address the identification of tax incentives for the development or rehabilitation of community health care facilities within mixed-use transit oriented development projects. However, your Committees believe that this component can be addressed through consultation with other state and county agencies, as well as private organizations.

Your Committees have amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 88, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (Tsutsui, Hemmings, Slom).

**SCRep. 1106 (Joint) Education and Housing and Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 81**

The purpose of this measure is to request the Hawaii Housing Finance and Development Corporation to:

- (1) Review the feasibility of developing single room occupancy dwellings in transit oriented development projects; and
- (2) Report findings and recommendations to the 2010 Legislature, including the impact on transit oriented development projects, costs, target beneficiaries, short-term and long-term effects, and sustainability.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that single room occupancy dwellings offer an affordable housing alternative for low-income individuals, students, single tenants, seasonal or other traveling workers, or others who do not require large dwellings or private domestic appliances. Your Committees further find that the information to be gathered as a result of this measure will assist the Legislature in determining how single room occupancy dwellings may fit among the many other proposed alternatives.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 81 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Bunda, Fukunaga, Tsutsui).

**SCRep. 1107 (Joint) Human Services and Health on S.C.R. No. 29**

The purpose of this measure is to request the United States Congress to:

- (1) Recognize that the Medicare and Medicaid physician fee reimbursement amounts for Hawaii are insufficient; and
- (2) Enact legislation to increase the geographic practice cost indices for Hawaii.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of Human Services, Hawaii Medical Association, Hawaii Pacific Health, and Hawaii Association for Justice. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that Hawaii's geographic practice cost indices, which partially determine Medicare and Medicaid reimbursement rates, are unreasonably low. Your Committees further find that inadequate reimbursements to physicians limit Medicare and Medicaid recipients' access to quality health care.

Your Committees have amended the body and title of this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 29, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 29, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1108 (Joint) Human Services and Health on S.C.R. No. 27**

The purpose of this measure is to request the Centers for Medicare and Medicaid Services to consider raising the Medicare fee schedule payment amounts for physicians rendering services in Hawaii.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of Human Services, Hawaii Medical Association, Hawaii Pacific Health, and Hawaii Association for Justice. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that Hawaii has relatively low Medicare and Medicaid reimbursement rates due to lower private sector wages upon which the Geographic Practice Cost Index, that partially determines the Medicare fee schedule, is based. Your Committees further find that inadequate reimbursements to physicians limit Medicare and Medicaid recipients' access to quality health care and threaten physicians' ability to continue practicing amid increasingly high costs in Hawaii.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 27, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 27, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Espero, Hemmings).

**SCRep. 1109      Transportation, International and Intergovernmental Affairs on S.C.R. No. 50**

The purpose of this measure is to express legislative support for the Ane Keohokalole highway extension, mid-level road, in the County of Hawai'i.

Your Committee received testimony in support of this measure from the Department of Transportation; the Department of Hawaiian Home Lands; Hawai'i Housing Finance and Development Corporation; County of Hawai'i; The Pacific Resource Partnership; Hawaii Operating Engineers Industry Stabilization Fund; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Department of Transportation has identified the Ane Keohokalole Highway extension, mid-level road as a priority project. The Ane Keohokalole Highway extension project is being coordinated with the County of Hawai'i, Department of Hawaiian Home Lands, and Hawai'i Housing Finance and Development Corporation.

The Ane Keohokalole Highway extension is a mid-level road project that will help reduce traffic congestion in the Kealahou region by providing an alternative to the presently existing routes. The Ane Keohokalole Highway extension will provide direct access to two major affordable housing projects, which would allow residents to purchase affordable homes being developed by the Department of Hawaiian Home Lands (Villages of La'i 'Opua, more than 700 homes) and Hawai'i Housing Finance and Development Corporation (Keahuolu project, 2,200 homes). Together, the two housing projects will help meet the need for affordable housing in the North Kona area, and simultaneously provide construction jobs to stimulate the Big Island economy.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 50 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1110      Transportation, International and Intergovernmental Affairs on S.R. No. 30**

The purpose of this measure is to express legislative support for the Ane Keohokalole highway extension, mid-level road, in the County of Hawai'i.

Your Committee received testimony in support of this measure from the Department of Transportation; the Department of Hawaiian Home Lands; Hawai'i Housing Finance and Development Corporation; County of Hawai'i; The Pacific Resource Partnership; Hawaii Operating Engineers Industry Stabilization Fund; and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Department of Transportation has identified the Ane Keohokalole Highway extension, mid-level road as a priority project. The Ane Keohokalole Highway extension project is being coordinated with the County of Hawai'i, Department of Hawaiian Home Lands, and Hawai'i Housing Finance and Development Corporation.

The Ane Keohokalole Highway extension is a mid-level road project that will help reduce traffic congestion in the Kealahou region by providing an alternative to the presently existing routes. The Ane Keohokalole Highway extension will provide direct access to two major affordable housing projects, which would allow residents to purchase affordable homes being developed by the Department of Hawaiian Home Lands (Villages of La'i 'Opua, more than 700 homes) and Hawai'i Housing Finance and Development Corporation (Keahuolu project, 2,200 homes). Together, the two housing projects will help meet the need for affordable housing in the North Kona area, and simultaneously provide construction jobs to stimulate the Big Island economy.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 30 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1111      Transportation, International and Intergovernmental Affairs on S.C.R. No. 119**

The purpose of this measure is to:

- (1) Encourage Hawaii residents to ride bicycles for transportation as well as recreation; and
- (2) Urge the Department of Transportation to embrace "Complete Street" policies that acknowledge the contributions of bicycles as a means to reduce vehicle miles by integrating bicycle use into standard street design.

Your Committee received testimony in support of this resolution from the Department of Transportation; Hawaii Bicycling League; and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Bicycling can provide multiple and cross-cutting benefits in policy initiatives that seek to address transportation needs, limit climate change and energy consumption, and improve public health. Bicycle commuters help reduce traffic by leaving automobiles at home, thus also saving on fuel costs, vehicle maintenance, and parking expenses.

Your Committee finds that results from polls and initiatives have shown that the people of Hawaii support riding bicycles, indicating an awareness and appreciation for bicyclists, and the importance of sharing the streets with the automobile's two-wheeled counterpart.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 119 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1112 Transportation, International and Intergovernmental Affairs on S.R. No. 78**

The purpose of this measure is to:

- (1) Encourage Hawaii residents to ride bicycles for transportation as well as recreation; and
- (2) Urge the Department of Transportation to embrace "Complete Street" policies that acknowledge the contributions of bicycles as a means to reduce vehicle miles by integrating bicycle use into standard street design.

Your Committee received testimony in support of this resolution from the Department of Transportation; Hawaii Bicycling League; and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Bicycling can provide multiple and cross-cutting benefits in policy initiatives that seek to address transportation needs, limit climate change and energy consumption, and improve public health. Bicycle commuters help reduce traffic by leaving automobiles at home, thus also saving on fuel costs, vehicle maintenance, and parking expenses.

Your Committee finds that results from polls and initiatives have shown that the people of Hawaii support riding bicycles, indicating an awareness and appreciation for bicyclists, and the importance of sharing the streets with the automobile's two-wheeled counterpart.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 78 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1113 Transportation, International and Intergovernmental Affairs on S.C.R. No. 80**

The purpose of this measure is to:

- (1) Urge all nonprofit organizations and community groups involved in roadside activities to establish safety procedures for volunteers who solicit and collect donations on the roadside;
- (2) Urge the nonprofit organizations and community groups to include in their safety procedures provisions that require children under the age of eighteen to be closely supervised when participating in roadside activities;
- (3) Request the county police departments to offer recommendations to nonprofit organizations and community groups in the establishment of these safety procedures; and
- (4) Request the nonprofit organizations and community groups involved in roadside activities to conduct a self-assessment as to whether the solicitation of funds and other donations on the sides of roads and highways sends a positive message to the community.

Your Committee received testimony in support of this resolution from two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Many nonprofit organizations and community groups in the State conduct fundraisers and other activities on or near roads and highways. These fundraising activities often involve volunteers who stand on the roadside, soliciting and collecting funds or other donated goods. There are often children under the age of eighteen participating in these fundraising activities. The close proximity of the participants of these activities to moving vehicles creates a potential safety hazard, placing both pedestrians and motorists at risk.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1114 Transportation, International and Intergovernmental Affairs on S.R. No. 48**

The purpose of this measure is to:

- (1) Urge all nonprofit organizations and community groups involved in roadside activities to establish safety procedures for volunteers who solicit and collect donations on the roadside;
- (2) Urge the nonprofit organizations and community groups to include in their safety procedures provisions that require children under the age of eighteen to be closely supervised when participating in roadside activities;
- (3) Request the county police departments to offer recommendations to nonprofit organizations and community groups in the establishment of these safety procedures; and
- (4) Request the nonprofit organizations and community groups involved in roadside activities to conduct a self-assessment as to whether the solicitation of funds and other donations on the sides of roads and highways sends a positive message to the community.

Your Committee received testimony in support of this resolution from two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Many nonprofit organizations and community groups in the State conduct fundraisers and other activities on or near roads and highways. These fundraising activities often involve volunteers who stand on the roadside, soliciting and collecting funds or other donated goods. There are often children under the age of eighteen participating in these fundraising activities. The close proximity of the participants of these activities to moving vehicles creates a potential safety hazard, placing both pedestrians and motorists at risk.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 48 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1115      Transportation, International and Intergovernmental Affairs on S.C.R. No. 127**

The purpose of this measure is to urge the President of the United States and the United States Congress to adopt the Declaration on the Rights of Indigenous Peoples (Declaration).

Your Committee received testimony in support of this resolution from the State Representative of the Fourth House District. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Declaration is a non-binding text that sets out the individual and collective rights of indigenous peoples, as well as their rights to culture, identity, language, employment, health, education, and other rights. On September 13, 2007, the United Nations General Assembly approved the Declaration with eleven members abstaining and four members voting no. The United States was among those four members voting against the Declaration.

The 2005 Legislature recognized the significance of indigenous peoples' rights by passing House Concurrent Resolution No. 195, H.D. 1, entitled "Adopting the United Nations Declaration on the Rights of Indigenous Peoples." The Legislature acknowledges the continued need to preserve and maintain the Hawaiian culture, to protect and promote the human rights of the *kanaka maoli*, the indigenous people of Hawaii, and to support the efforts of the *kanaka maoli* to pursue environmentally sustainable economic, social, and educational activities to ensure the survival of their culture.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 127 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1116      Transportation, International and Intergovernmental Affairs on S.R. No. 83**

The purpose of this measure is to urge the President of the United States and the United States Congress to adopt the Declaration on the Rights of Indigenous Peoples (Declaration).

Your Committee received testimony in support of this resolution from the State Representative of the Fourth House District. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Declaration is a non-binding text that sets out the individual and collective rights of indigenous peoples, as well as their rights to culture, identity, language, employment, health, education, and other rights. On September 13, 2007, the United Nations General Assembly approved the Declaration with eleven members abstaining and four members voting no. The United States was among those four members voting against the Declaration.

The 2005 Legislature recognized the significance of indigenous peoples' rights by passing House Concurrent Resolution No. 195, H.D. 1, entitled "Adopting the United Nations Declaration on the Rights of Indigenous Peoples." The Legislature acknowledges the continued need to preserve and maintain the Hawaiian culture, to protect and promote the human rights of the *kanaka maoli*, the indigenous people of Hawaii, and to support the efforts of the *kanaka maoli* to pursue environmentally sustainable economic, social, and educational activities to ensure the survival of their culture.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 83 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1117      Transportation, International and Intergovernmental Affairs on S.C.R. No. 109**

The purpose of this measure is to encourage the Department of Transportation to engage in and facilitate discussions with the City and County of Honolulu Department of Transportation Services, private developers, and other stakeholders to explore the possibility of establishing a ferry operation from the Hoakalei Resort and Marina to downtown Honolulu.

This measure also encourages the respective parties to request assistance from Hawaii's congressional delegation to identify possible funding sources for this ferry system.

Your Committee received testimony in support of this resolution from Gentry Homes, Limited and nine individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In the 1970s, the vision of the City and County of Honolulu was the creation of a second city in Kapolei as a second urban core on Oahu to relieve congestion in east Oahu by distributing population growth westward. The growth of Kapolei and Ewa is expected to provide more than sixty-five thousand jobs by 2025, making this area a regional commercial center and attracting customers from all parts of Oahu.

In addition to the increasing number of jobs and homes, other new developments will also contribute to the traffic congestion experienced in the Ewa region, including the new University of Hawaii at West Oahu campus, a major super regional park, the Ko Olina Resort and Marina, Kalaeloa, a major deep draft harbor and industrial center at Campbell Industrial Park and Barber's Point, the Hoakalei Resort and Marina, the Salvation Army Kroc Center, and a planned film studio and supporting industrial complex. All of these new developments are anticipated to result in increased vehicular flow between the Ewa region and Honolulu.

Current and planned transportation improvements enhance the flow of vehicles within the Ewa-Kapolei-Makakilo-Kalaeloa corridor, but not the commute between the area and the primary urban center in downtown Honolulu. Common experience demonstrates that congested conditions exist for the Ewa region because of insufficient capacity on the corridors leading from the Ewa marina, up Fort Weaver Road to the H-1 interchange, and from the H-1 interchange to downtown Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1118      Transportation, International and Intergovernmental Affairs on S.R. No. 68**

The purpose of this measure is to encourage the Department of Transportation to engage in and facilitate discussions with the City and County of Honolulu Department of Transportation Services, private developers, and other stakeholders to explore the possibility of establishing a ferry operation from the Hoakalei Resort and Marina to downtown Honolulu.

This measure also encourages the respective parties to request assistance from Hawaii's congressional delegation to identify possible funding sources for this ferry system.

Your Committee received testimony in support of this resolution from Gentry Homes, Limited and nine individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

In the 1970s, the vision of the City and County of Honolulu was the creation of a second city in Kapolei as a second urban core on Oahu to relieve congestion in east Oahu by distributing population growth westward. The growth of Kapolei and Ewa is expected to provide more than sixty-five thousand jobs by 2025, making this area a regional commercial center and attracting customers from all parts of Oahu.

In addition to the increasing number of jobs and homes, other new developments will also contribute to the traffic congestion experienced in the Ewa region, including the new University of Hawaii at West Oahu campus, a major super regional park, the Ko Olina Resort and Marina, Kalaeloa, a major deep draft harbor and industrial center at Campbell Industrial Park and Barber's Point, the Hoakalei Resort and Marina, the Salvation Army Kroc Center, and a planned film studio and supporting industrial complex. All of these new developments are anticipated to result in increased vehicular flow between the Ewa region and Honolulu.

Current and planned transportation improvements enhance the flow of vehicles within the Ewa-Kapolei-Makakilo-Kalaeloa corridor, but not the commute between the area and the primary urban center in downtown Honolulu. Common experience demonstrates that congested conditions exist for the Ewa region because of insufficient capacity on the corridors leading from the Ewa marina, up Fort Weaver Road to the H-1 interchange, and from the H-1 interchange to downtown Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 68 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1119      Transportation, International and Intergovernmental Affairs on S.C.R. No. 62**

The purpose of this measure is to make clear that vehicle owners with audible motor vehicle alarms consider disabling the audible feature or resetting the sensitivity of their alarms so that the wind and the vibrations of passing vehicles do not activate the alarms.

No testimony was submitted.

Your Committee has amended this measure by deleting its title and contents and inserting amended provisions of House Concurrent Resolution No. 158, which addresses the need for federal assistance in meeting costs incurred by the State as a result of the Compact of Free Association.

As amended, this measure:

- (1) Strongly urges the United States Department of the Interior to:
  - (A) Review the funding of the Compact Impact Assistance grant and to make every effort to increase the amount of direct assistance available to Hawai'i to offset costs incurred by the State due to the Compact of Free Association; and
  - (B) Identify and secure other forms of direct assistance to the State and the Compact of Free Association population in the United States, including grants from other sources and federal programs; and
- (2) Strongly urges the United States Congress to support federal legislation to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to allow Compact of Free Association migrants to once again receive federally funded financial and medical assistance.

Your Committee finds that migrants from Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, are allowed to enter the State of Hawai'i under the Compact of Free Association. Many state agencies provide a broad range of



health and social services to migrants from the Compact of Free Association who have moved to Hawai'i. The cost to the State of providing these services continues to increase each year.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 prevents needy persons from the Compact of Free Association nations from receiving federally funded financial and medical assistance. When that law went into effect in 1997, Hawai'i continued to provide equivalent services for the Compact of Free Association migrants using state funds.

The federal government must address the issue of additional federal support for the State to continue providing state services arising from the unique federally-created relationship the United States has with the Compact of Free Association nations.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 62, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 1120      Transportation, International and Intergovernmental Affairs on S.R. No. 36**

The purpose of this measure is to make clear that vehicle owners with audible motor vehicle alarms consider disabling the audible feature or resetting the sensitivity of their alarms so that the wind and the vibrations of passing vehicles do not activate the alarms.

No testimony was submitted.

Your Committee has amended this measure by deleting its title and contents and inserting amended provisions of House Concurrent Resolution No. 158, which addresses the need for federal assistance in meeting costs incurred by the State as a result of the Compact of Free Association.

As amended, this measure:

- (1) Strongly urges the United States Department of the Interior to:
  - (A) Review the funding of the Compact Impact Assistance grant and to make every effort to increase the amount of direct assistance available to Hawai'i to offset costs incurred by the State due to the Compact of Free Association; and
  - (B) Identify and secure other forms of direct assistance to the State and the Compact of Free Association population in the United States, including grants from other sources and federal programs; and
- (2) Strongly urges the United States Congress to support federal legislation to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to allow Compact of Free Association migrants to once again receive federally funded financial and medical assistance.

Your Committee finds that migrants from Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, are allowed to enter the State of Hawai'i under the Compact of Free Association. Many state agencies provide a broad range of health and social services to migrants from the Compact of Free Association who have moved to Hawai'i. The cost to the State of providing these services continues to increase each year.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 prevents needy persons from the Compact of Free Association nations from receiving federally funded financial and medical assistance. When that law went into effect in 1997, Hawai'i continued to provide equivalent services for the Compact of Free Association migrants using state funds.

The federal government must address the issue of additional federal support for the State to continue providing state services arising from the unique federally-created relationship the United States has with the Compact of Free Association nations.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 36, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 1121      Human Services on H.C.R. No. 5**

The purpose of this measure is to urge faith-based organizations to cooperate with each other to support foster families in Hawaii.

Testimony in support of this measure was submitted by three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that foster families serve an important need in this State by providing children who have experienced family disruption or other difficult circumstances with stable and healthy homes. Your Committee finds that foster families should receive support and encouragement from all sectors of the community, including faith-based organizations.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1122 Human Services on H.C.R. No. 39**

The purpose of this measure is to recognize the month of May as “Foster Care Awareness Month” to educate the public about the various components of foster care, including foster parents, children, and families.

Testimony in support of this measure was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee recognizes the significant impact of foster care on the physical, mental, and emotional development of foster children, and supports the designation of the month of May as “Foster Care Awareness Month” to promote greater public awareness of the foster care program.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 39, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 39, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1123 (Joint) Education and Housing and Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1186**

The purpose of this measure is to eliminate the Hawaii Community Development Authority’s cash-in-lieu option for meeting reserved housing requirements, while retaining the option in cases of a fractional unit resulting from the percentage requirement calculation.

Testimony in support of this measure was submitted by eight individuals. Two state agencies and one private organization submitted testimony in opposition. Written testimony presented to the Committees may be reviewed on the Legislature’s website.

Your Committees support the implementation of policies that will result in the construction of new affordable housing units, or the retention of the existing supply throughout the State. This measure provides one means of doing so, and your Committees believe it should be viewed collectively with other incentives and alternatives being considered.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1186, H.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Takamine, Tsutsui, Hemmings).

**SCRep. 1124 Commerce and Consumer Protection on S.C.R. No. 35**

The purpose of this measure is to request that the Auditor perform a sunrise review of the regulation of athletic trainers.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, the University of Hawaii, Hawaii Athletic Trainers Association, Hawaii Chapter of the American Physical Therapy Association, and the Occupational Therapy Association of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that athletic trainers are employed in medical settings, public and private secondary schools, institutes of higher education, and fitness centers. Your Committee finds that, due to the nature of the work performed by athletic trainers, some oversight of the profession is necessary to protect the public health, safety, and welfare. Your Committee further finds that although a resolution requesting that the State Auditor conduct a sunrise analysis was passed by the Legislature in 2005, that analysis has not yet been conducted. Finally, your Committee notes that athletic trainers themselves are perhaps the strongest proponents of regulation and oversight of this profession since there is currently nothing in Hawaii law to prohibit an unskilled, unqualified, or unethical individual from practicing athletic training in such a way that could harm individual clients and tarnish the reputation of the profession as a whole.

Your Committee has amended this measure by inserting the number of the Senate Bill to which this measure refers.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35, 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. 35, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1125 (Joint) Commerce and Consumer Protection and Health on S.C.R. No. 26**

The purpose of this measure is to request that the Auditor assess the social and financial effects of requiring health insurance coverage for colonoscopy colorectal cancer screening.

Your Committees received testimony in support of this measure from the American Cancer Society and Kaiser Permanente. Written testimony presented to the Committees may be reviewed on the Legislature’s website.

Your Committees find that although colorectal cancer is the second leading cause of cancer deaths in the United States, it is also one of the most treatable forms of cancer when diagnosed early through available diagnostic techniques such as colonoscopy. Your

Committees find that colonoscopy is considered a safe and highly effective diagnostic technique that studies have shown to be more accurate and less invasive than other forms of screening. Your Committees further find that the cost of colonoscopy is far lower than the cost of treatment for colorectal cancer. Your Committees note that while section 23-51, Hawaii Revised Statutes, requires an assessment by the Auditor of the social and financial effects of proposed coverage before insurance coverage of specific diseases or health services may be mandated, the Legislature retains the right to enact laws to protect the general health, safety, and welfare of the State and its residents.

Your Committees have amended this measure by substituting the language of House Concurrent Resolution No. 109, a similar measure which has been previously approved by the Committee on Health.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 26, 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. 26, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 4 (Ihara, Nishihara, Sakamoto, Hemmings).

**SCRep. 1126 Commerce and Consumer Protection on S.C.R. No. 45**

The purpose of this measure is to request that the Auditor perform a sunrise analysis on professional employer organizations.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that professional employer organizations act as an outsourced human resource department for employers by providing personnel and payroll services and overseeing an employer's compliance with state and federal law, including benefits and workers' compensation issues. Your Committee finds that regulation of this industry will help to ensure that Hawaii's business community can continue to rely on professional employer organizations to provide high quality services. Hawaii is one of only fourteen states that does not currently regulate this industry. Your Committee notes that regulation and oversight of the professional employer organization industry has been requested by the industry itself, in order to maintain high standards and preserve the good business reputation of professional employment organizations that meet their ethical and legal obligations to their clients.

Your Committee has amended this measure by inserting the number of the Senate Bill to which this measure refers.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 45, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 45, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1127 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.C.R. No. 126**

The purpose of this measure is to express support for the electrification of energy efficient transportation systems in Hawaii by recognizing the necessity of developing an electric vehicle charging infrastructure and urging relevant stakeholders to collaborate on ways to expedite the adoption of electric vehicles in Hawaii.

Testimony in support of the measure was submitted by two private organizations. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that it is only a matter of time before electric vehicles become an important and integral component of Hawaii's transportation system. The State must be ready for this new form of ground transportation by developing an electric vehicle charging infrastructure.

Your Committees have amended this measure by:

- (1) Correcting the figure estimating the number of gallons of gasoline annually used by Hawaii drivers; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 126, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 126, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hooser, Kokubun, Slom).

**SCRep. 1128 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.R. No. 82**

The purpose of this measure is to express support for the electrification of energy efficient transportation systems in Hawaii by recognizing the necessity of developing an electric vehicle charging infrastructure and urging relevant stakeholders to collaborate on ways to expedite the adoption of electric vehicles in Hawaii.

Testimony in support of the measure was submitted by two private organizations. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that it is only a matter of time before electric vehicles become an important and integral component of Hawaii's transportation system. The State must be ready for this new form of ground transportation by developing an electric vehicle charging infrastructure.

Your Committees have amended this measure by:

- (1) Correcting the figure estimating the number of gallons of gasoline annually used by Hawaii drivers; and
- (2) Making technical, nonsubstantive amendments for style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 82, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 82, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hooser, Kokubun, Slom).

**SCRep. 1129 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.C.R. No. 74**

The purpose of this measure is to request the President of the United States to propose and encourage the United Nations to hold a United Nations Climate Change Conference (UNCC Conference) in Hawaii in 2010.

Testimony in support of this measure was submitted by one private organization. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that over a decade ago, most countries joined an international treaty--the United Nations Framework Convention on Climate Change (Convention)--to begin to consider what can be done to reduce global warming and to cope with whatever temperature increases are inevitable. Smaller conferences are held throughout the year, culminating in a UNCC Conference in the last quarter of each year, such as the recent conference held in Poznan, Poland in December 2008. During these UNCC Conferences, the parties to the Convention meet to address Convention issues regarding climate change, such as adaptation, finance, technology, reducing emissions from deforestation and forest degradation, and disaster management. More of these Convention conferences are contemplated.

Your Committees find that Hawaii is a logical place to hold such a conference in 2012. Hawaii has the conference and visitor facilities necessary to easily accommodate an international conference of this size and magnitude. Additionally, a UNCC Conference would provide economic stimulus to Hawaii.

Your Committees have amended this measure by:

- (1) Updating the references to the UNCC Conference locations; and
- (2) Making technical, nonsubstantive changes for style and consistency purposes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 74, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 74, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Hooser, Kokubun, Slom).

**SCRep. 1130 (Joint) Energy and Environment and Transportation, International and Intergovernmental Affairs on S.R. No. 45**

The purpose of this measure is to request the President of the United States to propose and encourage the United Nations to hold a United Nations Climate Change Conference (UNCC Conference) in Hawaii in 2010.

Testimony in support of this measure was submitted by one private organization. Testimony in opposition to the measure was submitted by one individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that over a decade ago, most countries joined an international treaty--the United Nations Framework Convention on Climate Change (Convention)--to begin to consider what can be done to reduce global warming and to cope with whatever temperature increases are inevitable. Smaller conferences are held throughout the year, culminating in a UNCC Conference in the last quarter of each year, such as the recent conference held in Poznan, Poland in December 2008. During these UNCC Conferences, the parties to the Convention meet to address Convention issues regarding climate change, such as adaptation, finance, technology, reducing emissions from deforestation and forest degradation, and disaster management. More of these Convention conferences are contemplated.

Your Committees find that Hawaii is a logical place to hold such a conference in 2012. Hawaii has the conference and visitor facilities necessary to easily accommodate an international conference of this size and magnitude. Additionally, a UNCC Conference would provide economic stimulus to Hawaii.

Your Committees have amended this measure by:

- (1) Updating the references to the UNCC Conference locations; and
- (2) Making technical, nonsubstantive changes for style and consistency purposes.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 45, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 45, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 3 (Hooser, Kokubun, Slom).

**SCRep. 1131 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Public Safety and Military Affairs on S.C.R. No. 72**

The purpose of this measure is to urge the United States Department of Agriculture and the United States Department of Homeland Security to coordinate with the Department of Agriculture to prevent invasive species from entering the State of Hawaii.

Testimony in support of this measure was submitted by two state agencies and two organizations. Two public citizens supported the intent of this measure. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the United States Department of Agriculture and the United States Department of Homeland Security are responsible for inspecting international passenger and cargo arrivals. However, the federal quarantine laws are primarily designed to protect mainland agriculture and do not take into account the potential risks to Hawaii's crops or native habitat. It is essential that the federal inspection agencies collaborate and share information with Department of Agriculture officials to ensure the highest possible level of protection and the smooth movement of cargo into and around the State.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 72 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (English, Gabbard, Kokubun, Takamine).

**SCRep. 1132 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Public Safety and Military Affairs on S.R. No. 43**

The purpose of this measure is to urge the United States Department of Agriculture and the United States Department of Homeland Security to coordinate with the Department of Agriculture to prevent invasive species from entering the State of Hawaii.

Testimony in support of this measure was submitted by two state agencies and two organizations. Two public citizens supported the intent of this measure. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the United States Department of Agriculture and the United States Department of Homeland Security are responsible for inspecting international passenger and cargo arrivals. However, the federal quarantine laws are primarily designed to protect mainland agriculture and do not take into account the potential risks to Hawaii's crops or native habitat. It is essential that the federal inspection agencies collaborate and share information with Department of Agriculture officials to ensure the highest possible level of protection and the smooth movement of cargo into and around the State.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Public Safety and Military Affairs that are attached to this report, your Committees 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 the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (English, Gabbard, Kokubun, Takamine).

**SCRep. 1133 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Higher Education on S.C.R. No. 73**

The purpose of this measure is to urge the Department of Land and Natural Resources and the University of Hawaii to convene meetings with stakeholders to address stewardship issues and affirm the State's commitment to a cooperative relationship with the varied members of the community interested in Mauna Kea and its unique spiritual, cultural, historical, and natural resources.

Testimony in support of this measure was submitted by one organization. One state agency and one organization provided comments. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the University of Hawaii and the Department of Land and Natural Resources have made some positive changes to protect Mauna Kea and the Mauna Kea Science Reserve, however, your Committees believe that much more remains to be done. The Follow-Up Audit of the Management of Mauna Kea and the Mauna Kea Science Reserve, Report No. 05-13, created pursuant to the 2005 Regular Session, Senate Concurrent Resolution No. 68, S.D. 1, H.D. 1, recommended among other things, that the University of Hawaii should revise and update planning documents, including the master plan and leases and subleases, to clearly assign roles and responsibilities for managing Mauna Kea and reflect stewardship matters resolved with the Department of Land and Natural Resources. Your Committees believe the recommendations of the Auditor have not been fully implemented by either the University of Hawaii or the Department of Land and Natural Resources.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 73 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 4 (Baker, Sakamoto, Taniguchi, Hemmings).

**SCRep. 1134 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Higher Education on S.R. No. 44**

The purpose of this measure is to urge the Department of Land and Natural Resources and the University of Hawaii to convene meetings with stakeholders to address stewardship issues and affirm the State's commitment to a cooperative relationship with the varied members of the community interested in Mauna Kea and its unique spiritual, cultural, historical, and natural resources.

Testimony in support of this measure was submitted by one organization. One state agency and one organization provided comments. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the University of Hawaii and the Department of Land and Natural Resources have made some positive changes to protect Mauna Kea and the Mauna Kea Science Reserve, however, your Committees believe that much more remains to be done. The Follow-Up Audit of the Management of Mauna Kea and the Mauna Kea Science Reserve, Report No. 05-13, created pursuant to the 2005 Regular Session, Senate Concurrent Resolution No. 68, S.D. 1, H.D. 1, recommended among other things, that the University of Hawaii should revise and update planning documents, including the master plan and leases and subleases, to clearly assign roles and responsibilities for managing Mauna Kea and reflect stewardship matters resolved with the Department of Land and Natural Resources. Your Committees believe the recommendations of the Auditor have not been fully implemented by either the University of Hawaii or the Department of Land and Natural Resources.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Higher Education that are attached to this report, your Committees 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 the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 4 (Baker, Sakamoto, Taniguchi, Hemmings).

**SCRep. 1135 Commerce and Consumer Protection on S.C.R. No. 53**

The purpose of this measure is to request that the Auditor conduct a sunrise review of real estate appraisal management companies.

Your Committee received testimony in support of this measure from the Hawai'i Association of Realtors. Testimony with comments on this measure was submitted by the Real Estate Commission and Hawaii Financial Services Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appraisal management companies perform many important functions including appraisal review, quality control, market value dispute resolution, warranty administration, and record retention. Because of the importance of these functions and the rapid growth of the appraisal management industry in recent years, it is important that appraisal management companies be held to high standards of professionalism and ethical behavior. Your Committee further finds that the appraisal industry itself has been the strongest proponent of regulation, both in Hawaii and across the United States.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1136 Commerce and Consumer Protection on S.C.R. No. 61**

The purpose of this measure is to request that the Auditor perform a financial and management analysis on the State Boxing Commission.

Your Committee received testimony in support of this measure from two private citizens. Testimony in opposition to this measure was submitted by the State Boxing Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that serious allegations have been made concerning the Boxing Commission's alleged disregard for state law, state administrative rules, and the safety of both professional and amateur boxers. Although it is important to note that no formal proceedings or charges are currently pending against the Commission, because of the severity of the allegations against the Commission and the nature of the Commission's function as a regulatory body charged with providing safeguards to an inherently dangerous activity, an Auditor's analysis of the Commission's operations is prudent at this time. Your Committee notes that the Commission regulates amateur boxing, a sport in which many participants are children, teenagers, and young adults. Your Committee finds that an Auditor's financial and management analysis of the Boxing Commission is necessary to determine whether the Commission is acting in compliance with State law and in the best interests of professional and amateur boxers.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 61 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1137 (Joint) Commerce and Consumer Protection and Health on S.C.R. No. 25**

The purpose of this measure is to request that the Auditor assess the social and financial effects of requiring health insurers to provide parity of coverage for oral and intravenous chemotherapy.

Your Committees received testimony in support of this measure from the American Cancer Society, Hawaii Prostate Cancer Coalition, Nursing Advocates & Mentors, Inc., Asian American Network for Cancer Awareness Research and Training, Filipino American Citizens League, United Filipino Council of Hawaii, and Oahu Filipino Community Council. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that parity in coverage for oral and intravenous chemotherapy will give cancer patients and their doctors the option to tailor chemotherapy treatments to the needs of the individual patient. Your Committees find that this measure will reduce both the monetary and the nonmonetary costs for patients, many of whom spend up to one week of every month either in the hospital or traveling to and from the hospital to receive intravenous chemotherapy treatment. Finally, your Committees find that this measure will be especially beneficial to cancer patients who live in rural or underserved areas, who presently must travel to Honolulu in order to receive chemotherapy treatment.

Your Committees note that while section 23-51, Hawaii Revised Statutes, requires an assessment by the Auditor of the social and financial effects of proposed coverage before insurance coverage of specific diseases or health services may be mandated, the Legislature retains the right to enact laws to protect the general health, safety, and welfare of the State and its residents.

Your Committees further note that this measure is being advanced out of an abundance of caution because of the critical nature of this issue. Although your Committees have previously advanced a similar measure, S.B. No. 166, which the House of Representatives has scheduled for hearing, your Committees find that parity in chemotherapy coverage is so important that it is appropriate for this measure to move forward even though it may be duplicative.

Your Committees have amended this measure by inserting the correct number of the Senate Bill to which this measure refers.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 25, 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. 25, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 4 (Ihara, Nishihara, Sakamoto, Hemmings).

**SCRep. 1138 Human Services on H.C.R. No. 32**

The purpose of this measure is to support international White Ribbon Campaigns to end men's violence against women and to encourage the establishment of a White Ribbon Campaign organization in Hawaii.

Your Committee received testimony in support of this measure from the Hawaii State Coalition Against Domestic Violence and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that violence against women is epidemic in our society. Your Committee further finds that domestic violence will never be eradicated by placing the responsibility for avoiding violence on its victims alone. Rather, the responsibility for ending domestic violence should be placed on the perpetrators and potential perpetrators of violence. To this end, your Committee finds that it is essential to educate men and boys about violence against women and to encourage men and boys to make a personal commitment to never commit, condone, or remain silent about violence against women and girls. Your Committee finds that the White Ribbon Campaign is one way of making men and boys aware of their responsibilities to help end systemic violence against women and girls.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1139 Human Services on H.C.R. No. 46**

The purpose of this measure is to urge Congress to preserve funding and maintain programs, laws, regulations, and policies that assist victims of domestic violence.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that domestic violence continues to be a major problem in Hawaii and that funding should be preserved to maintain programs and develop and enforce laws and policies that assist victims of domestic violence.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 46, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1140 (Joint) Education and Housing and Higher Education on S.C.R. No. 188**

The purpose of this measure is to request the Governor to:

- (1) Accept the recommendations of the working group formed by Hawaii's Congressional Delegation to determine the most appropriate uses of State Fiscal Stabilization Fund moneys; and
- (2) Authorize the expenditure of State Fiscal Stabilization Fund moneys in accordance with the recommendations of the working group.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the recent Administration proposal regarding the use of the State Fiscal Stabilization Fund moneys that are intended for public education has generated considerable controversy and further added to the climate of fiscal uncertainty. Your Committees appreciate the difficulties the State is facing in resolving additional budget shortfalls for the current fiscal year. However, your Committees firmly believe that using State Fiscal Stabilization Fund education moneys to offset the deficit is not only shortsighted, it appears to be in direct conflict with the requirements of the federal legislation.

Your Committees understand that the Department of Education and the University of Hawaii have reached agreement on the use of the State Fiscal Stabilization Fund moneys and have specific recommendations regarding the appropriate use of these funds to support public education and Hawaii's students statewide.

Your Committees have amended this measure accordingly, by:

- (1) Adding the specific recommendations, as of March 31, 2009, by the State of Hawaii Department of Education and the University of Hawaii regarding the agreement on a two-part Proposal for State Fiscal Stabilization Funds (SFSF) American Recovery and Reinvestment Act of 2009 (ARRA); and
- (2) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 188, 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. 188, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Baker, Taniguchi, Tsutsui, Hemmings, Slom).

**SCRep. 1141 Health on S.C.R. No. 106**

The purpose of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for weight management and obesity prevention for children.

Your Committee received testimony in support of this measure from Kaiser Permanente, the American Cancer Society, the American Physical Therapy Association Hawaii Chapter, and the American Academy of Pediatrics.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that childhood obesity is one of Hawaii's most pressing health problems today. Mandating health insurance coverage for weight management and obesity prevention programs may substantially assist in reducing the number of children and adolescents whose health is compromised by obesity.

Your Committee further finds that section 23-51, Hawaii Revised Statutes, requires an Auditor's assessment as requested in this measure, before any legislative measure may be considered that mandates health insurance coverage for specific health services or specific diseases.

Your Committee has amended this measure by including language recommended by its proponents that clarifies the importance of providing health insurance coverage for preventive services for overweight children.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106, 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. 106, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1142 Health on S.C.R. No. 163**

The purpose of this measure is to request the Legislative Reference Bureau to review the available literature on the health effects of long-term exposure to hazardous waste and submit a report of its findings to the Legislature.

Testimony in support of this measure was submitted by United Public Workers, AFSCME, Local 646, AFL-CIO and one concerned individual. The Legislative Reference Bureau commented on this measure.

Your Committee finds that refuse and wastewater workers that collect and treat hazardous waste over long periods of time are at risk for life-threatening health problems. On a daily basis, these workers handle various types of chemical and biological wastes that carry risks of serious long-term illness. Your Committee finds that measures should be taken to protect refuse and wastewater workers from the adverse health effects of long term exposure to hazardous waste. Accordingly, your Committee believes that a review of best practices for protecting workers from the biological, chemical, and accidental hazards of long-term exposure to hazardous wastes will provide a starting point for improving safety and working conditions.

Your Committee has amended this measure to focus the scope of the study on determining the best practices for protecting these workers from the health effects of long-term exposure to these wastes.



As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 163, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 163, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1143 Health on S.C.R. No. 170**

The purpose of this measure is to request the Hawaii State Legislature to convene a Hawaii Health Care Summit to develop a strategic and comprehensive plan for health care in Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Association of Health Plans, Hawaii Health Systems Corporation, Hawaii Health Information Exchange, Hawaii Primary Care Association, Kaiser Permanente, American Cancer Society, Hawaii Medical Association and the National Association of Social Workers. The Hawaii Medical Service Association submitted testimony supporting the measure with amendments.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is important to begin the process of developing an effective and comprehensive plan for sustainable health care in Hawaii.

Your Committee further finds that in moving forward, committee members who would like to contribute to the task force should be included in its membership, and pre-summit partitions should be established to ensure that the Hawaii Health Care Summit will be as productive as possible.

Your Committee has amended this measure by clarifying that a component of the financial crisis in the medical community is that reimbursements to hospitals and physicians from private insurers are under severe economic pressure to compensate for costs shifted from government health programs such as Medicare and Medicaid.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 170, 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. 170, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1144 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 78**

The purpose of this measure is to seek the Legislature's approval as required by section 171-53, Hawaii Revised Statutes, to issue a non-exclusive easement for submerged lands at Kaanapali, Maui for concrete block remnant purposes.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Napili Kai, Ltd. is planning to enlarge and improve its existing swimming pool, which requires a permit from the county. The County of Maui requires a shoreline certification as part of the Special Management Area Use Permit process. As a result of a land survey done for the shoreline certification, several encroachments to the adjacent state submerged lands were discovered, including a walkway, stairs, a shower station, and concrete pier block remnants, all of which were constructed in the 1950s. In a letter dated October 16, 2007, the Department of Land and Natural Resources noted that the removal of these nonconforming structures would not affect the beach resource. However, Napili Kai, Ltd. prefers to keep the area in its existing state. On September 26, 2008, the Board of Land and Natural Resources approved the direct issuance of a term, non-exclusive easement to Napili Kai, Ltd. for the use and maintenance of the existing improvements constructed, subject to certain terms and conditions.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution for the Board of Land and Natural Resources to lease state submerged lands.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1145 Human Services on S.C.R. No. 135**

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study to determine what barriers exist to securing more community interpreting hours.

Two government agencies and a private individual provided testimony in support of this measure. A legislative agency offered comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that deaf and hard of hearing persons need sign language interpreters to meet their special communication needs that impact all areas of their lives. Their unique communication needs affect their language development, understanding of social situations, and their daily lives, including their budgeting, housing, and transportation needs. Your Committee further finds that the needs of deaf and hard of hearing people for sign language interpreters are not being met. The study requested by the measure will assist the State in determining whether there are barriers to ameliorating the shortage of interpreters, and identify possible solutions to address those barriers, if any.

Your Committee has amended this measure by:

- (1) Correcting references to the Kapiolani Community College Interpreter Education Program;
- (2) Amending the measure to reflect the opportunities provided by video relay services; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 135, 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. 135, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1146 Commerce and Consumer Protection on S.C.R. No. 168**

The purpose of this measure is to request that the Auditor assess the social and financial effects of requiring health insurers to offer coverage for hearing aids.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Disability and Communication Access Board, Hawaii Centers for Independent Living, Kaiser Permanente, and one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the ability to use one's hearing to the greatest extent possible is essential to the daily lives of most individuals. Your Committee finds that a hearing aid enhances a person's ability to interact independently in the community but is cost-prohibitive to many individuals. At present, insurance coverage for hearing aids ranges from minimal to nonexistent. The State's second largest insurer does not provide any coverage at all for hearing aids and other insurers cover only a small portion of the actual cost. Your Committee finds that this is especially damaging to children with deafness or hearing loss, who periodically outgrow hearing aids and who miss vital early educational and linguistic development opportunities when they are not able to use their hearing to the fullest extent possible. Your Committee finds that requiring insurance coverage for hearing aids is essential to allow Hawaii residents with hearing-related disabilities to fully realize the potential of their abilities.

Your Committee notes that while section 23-51, Hawaii Revised Statutes, requires an assessment by the Auditor of the social and financial effects of proposed coverage before insurance coverage of specific diseases or health services may be mandated, the Legislature retains the right to enact laws to protect the general health, safety, and welfare of the State and its residents.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 168 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 1147 Judiciary and Government Operations on S.C.R. No. 108**

The purpose of this measure is to request the Legislature to form a joint legislative procurement working group to evaluate the state procurement code and recommend improvements.

The joint legislative procurement working group is also requested to report any findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

Your Committee received testimony in support of this measure from government entities and private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Public Procurement Code, enacted by Act 8, Special Session Laws of 1993 and codified as chapter 103D, Hawaii Revised Statutes, and its accompanying administrative rules encompass a complex process for soliciting and awarding public contracts. Many of the complexities of the Hawaii Public Procurement Code result in needless delays in the awarding of contracts that often result in the failure to provide needed services and facilities to Hawaii's residents in a timely manner.

The Hawaii Public Procurement Code should be streamlined, where possible, to adapt to economic emergency situations, such as the current recession, that may require the speedy awarding of contracts financed by federal stimulus funds. At minimum, the Hawaii Public Procurement Code is in need of review to find efficiencies and improve the overall effectiveness of the procurement process.

Your Committee has amended this measure by:

- (1) Adding a Whereas and a Resolved clause to refer to the review by the joint legislative procurement working group of legislation proposed by the State Procurement Office for consideration in the 2010 Regular Session;
- (2) Adding to the joint legislative procurement working group a representative from each of the General Contractors Association of Hawaii and Subcontractors Association of Hawaii; and
- (3) Making a technical amendment to clarify the nature of participation by a representative of the Hawaii Procurement Institute.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108, 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. 108, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 1148      Judiciary and Government Operations on S.R. No. 66**

The purpose of this measure is to request the Legislature to form a joint legislative procurement working group to evaluate the state procurement code and recommend improvements.

The joint legislative procurement working group is also requested to report any findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

Your Committee received testimony in support of this measure from government entities and private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Hawaii Public Procurement Code, enacted by Act 8, Special Session Laws of 1993 and codified as chapter 103D, Hawaii Revised Statutes, and its accompanying administrative rules encompass a complex process for soliciting and awarding public contracts. Many of the complexities of the Hawaii Public Procurement Code result in needless delays in the awarding of contracts that often result in the failure to provide needed services and facilities to Hawaii's residents in a timely manner.

The Hawaii Public Procurement Code should be streamlined, where possible, to adapt to economic emergency situations, such as the current recession, that may require the speedy awarding of contracts financed by federal stimulus funds. At minimum, the Hawaii Public Procurement Code is in need of review to find efficiencies and improve the overall effectiveness of the procurement process.

Your Committee has amended this measure by:

- (1) Adding a Whereas and a Resolved clause to refer to the review by the joint legislative procurement working group of legislation proposed by the State Procurement Office for consideration in the 2010 Regular Session;
- (2) Adding to the joint legislative procurement working group a representative from each of the General Contractors Association of Hawaii and Subcontractors Association of Hawaii; and
- (3) Making a technical amendment to clarify the nature of participation by a representative of the Hawaii Procurement Institute.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 66, 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. 66, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 1149      Labor on S.C.R. No. 131**

The purpose of this measure is to request a joint agency study on the impact of illegal immigration in Hawaii and a task force to determine investigation and enforcement actions to reduce the practice of hiring illegal or undocumented workers.

Testimony in support of this measure was submitted by three organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State's current economic situation calls for more prudent state spending and improved enforcement of existing laws. Your Committee recognizes this measure as a step toward preventing the hiring of undocumented workers, recovering funds owed to the State by companies that are found to hire undocumented workers, and preventing companies found to employ undocumented workers from doing business in the State.

Your Committee has amended this measure as follows:

- (1) By requesting the Department of Agriculture to participate in the joint study and the task force;
- (2) By requesting the Department of Labor and Industrial Relations (DLIR) to serve as the lead agency for both the joint study and the task force, and requesting that DLIR will be responsible for submitting a report of the findings and recommendations of the joint study and of the task force to the Legislature; and
- (3) By making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131, as amended herein, and recommends that it be referred to the Committee on Judiciary and Government Operations, in the form attached hereto as S.C.R. No. 131, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1150      Labor on S.R. No. 86**

The purpose of this measure is to request a joint agency study on the impact of illegal immigration in Hawaii and a task force to determine investigation and enforcement actions to reduce the practice of hiring illegal or undocumented workers.

Testimony in support of this measure was submitted by three organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State's current economic situation calls for more prudent state spending and improved enforcement of existing laws. Your Committee recognizes this measure as a step toward preventing the hiring of undocumented workers,

recovering funds owed to the State by companies that are found to hire undocumented workers, and preventing companies found to employ undocumented workers from doing business in the State.

Your Committee has amended this measure as follows:

- (1) By requesting the Department of Agriculture to participate in the joint study and the task force;
- (2) By requesting the Department of Labor and Industrial Relations (DLIR) to serve as the lead agency for both the joint study and the task force, and requesting that DLIR will be responsible for submitting a report of the findings and recommendations of the joint study and of the task force to the Legislature; and
- (3) By making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86, as amended herein, and recommends that it be referred to the Committee on Judiciary and Government Operations, in the form attached hereto as S.R. No. 86, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1151 Labor on S.C.R. No. 68**

The purpose of this measure is to request the State Auditor to conduct a management and performance audit of the Board of Trustees of the state Deferred Compensation Plan and plan administrators contracted by the Board.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current recession and instability in financial markets make it crucial for participants of the state Deferred Compensation Plan to be able to easily access information and assistance regarding their investment options, and finds that this measure takes appropriate actions in furtherance of these aims.

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

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, 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. 68, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1152 Energy and Environment on S.C.R. No. 166**

The purpose of this measure is to request the Auditor to conduct a management audit of the administration and collection of the environmental response tax by the Department of Taxation.

Testimony in opposition to this measure was submitted by the Department of Taxation. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the tax bases for the environmental response tax and the liquid fuel license tax are not necessarily analogous—there are differences between events that “trigger” each tax, exemptions that may apply to only one tax, and differing timing of payments. Nonetheless, your Committee finds that the data signals that there is a possibility the environmental response tax has been over-reported or the liquid fuel license tax has been under-reported. In these difficult economic times, it is important to get a clear and accurate picture of tax revenues due and payable to the State.

Your Committee understands that a management audit of the Department of Taxation's administration and collection of the environmental response tax, as proposed in the measure as received, is unlikely to provide definitive answers to explain all of the discrepancies. A management audit would provide information regarding how collections are conducted, but not how liquid fuel producers are reporting information to the Department of Taxation, which is the crux of a majority of the discrepancies. This information may only be available from the liquid fuel producers themselves, rather than from the Department of Taxation.

Your Committee has amended this measure by:

- (1) Deleting the request that the Auditor conduct a management audit of the administration and collection of the environmental response tax, and substituting a request that the Department of Taxation conduct audits of those taxpayers that are required to voluntarily report information regarding the environmental response tax and the liquid fuel tax to determine their compliance in reporting such information;
- (2) Amending the title to reflect the measure's amended intent; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166, 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. 166, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Kokubun, Hemmings).

**SCRep. 1153 Energy and Environment on S.R. No. 115**

The purpose of this measure is to request the Auditor to conduct a management audit of the administration and collection of the environmental response tax by the Department of Taxation.

Testimony in opposition to this measure was submitted by the Department of Taxation. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the tax bases for the environmental response tax and the liquid fuel license tax are not necessarily analogous—there are differences between events that “trigger” each tax, exemptions that may apply to only one tax, and differing timing of payments. Nonetheless, your Committee finds that the data signals that there is a possibility the environmental response tax has been over-reported or the liquid fuel license tax has been under-reported. In these difficult economic times, it is important to get a clear and accurate picture of tax revenues due and payable to the State.

Your Committee understands that a management audit of the Department of Taxation's administration and collection of the environmental response tax, as proposed in the measure as received, is unlikely to provide definitive answers to explain all of the discrepancies. A management audit would provide information regarding how collections are conducted, but not how liquid fuel producers are reporting information to the Department of Taxation, which is the crux of a majority of the discrepancies. This information may only be available from the liquid fuel producers themselves, rather than from the Department of Taxation.

Your Committee has amended this measure by:

- (1) Deleting the request that the Auditor conduct a management audit of the administration and collection of the environmental response tax, and substituting a request that the Department of Taxation conduct audits of those taxpayers that are required to voluntarily report information regarding the environmental response tax and the liquid fuel tax to determine their compliance in reporting such information;
- (2) Amending the title to reflect the measure's amended intent; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and accuracy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 115, 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. 115, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Kokubun, Hemmings).

**SCRep. 1154 Public Safety and Military Affairs on S.C.R. No. 185**

The purpose of this measure is to request the State Auditor to examine the rationale and management of the Hawaii Paroling Authority.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Paroling Authority has never had the State Auditor conduct a comprehensive audit on its operations and procedures. Your Committee also finds that an audit report from the State Auditor may provide recommendations that the Hawaii Paroling Authority can utilize and implement to may make their operations and procedures more cost efficient and effective.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 185, 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. 185, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1155 Public Safety and Military Affairs on S.R. No. 130**

The purpose of this measure is to request the State Auditor to examine the rationale and management of the Hawaii Paroling Authority.

Testimony in support of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Paroling Authority has never had the State Auditor conduct a comprehensive audit on its operations and procedures. Your Committee also finds that an audit report from the State Auditor may provide recommendations that the Hawaii Paroling Authority can utilize and implement to may make their operations and procedures more cost efficient and effective.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 130, 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. 130, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1156 (Joint) Higher Education, Water, Land, Agriculture and Hawaiian Affairs and Education and Housing on S.C.R. No. 121**

The purpose of this measure is to request the University of Hawaii, College of Tropical Agriculture and Human Resources to:

- (1) Convene a working group of stakeholders, in cooperation with the Department of Agriculture, Department of Education, and the Hawaii Farm Bureau Federation, to consider the feasibility of establishing a Farm to School program in Hawaii's public schools statewide; and
- (2) Report the findings and recommendations to the 2010 Legislature.

Testimony in support of this measure was submitted by the Department of Agriculture, Department of Education, Hawaii Farm Bureau Federation, Maui Farm Bureau, Hawaii Association of Independent Schools, and four individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the farm to school program promotes locally grown food in schools, educates students about food cultivation and healthy eating habits, and supports the local agricultural industry. In addition, your Committees find that this measure is in keeping with the State's initiatives to increase Hawaii's food self-sufficiency and decrease the import of foods from the current level of eighty-five per cent of all food consumed, to diversify the economy, to ensure a sustainable environment, and to strengthen communities.

Your Committees have amended this measure to add development of an appropriate farm to school policy statement to the tasks of the working group.

Your Committees also urge the College of Tropical Agriculture and Human Resources to include representatives from the Hawaii State Student Council, the Hawaii Secondary Student Conference, and the Hawaii Association of Independent Schools in the working group of stakeholders.

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, Agriculture, and Hawaiian Affairs and Education and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 121, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 121, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 6 (Baker, Bunda, Fukunaga, Taniguchi, Tsutsui, Slom).

**SCRep. 1157 (Joint) Education and Housing and Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 87**

The purpose of this measure is to urge the Hawaii Housing Finance and Development Corporation to:

- (1) Convene a task force to review state and county affordable housing approval requirements and procedures;
- (2) Identify, in consultation with other state agencies, private developers, and nonprofit housing organizations, a core, standardized affordable housing approval procedure that each county can adopt; and
- (3) Report its findings and recommendations, including any proposed county or state legislation, to the 2010 Legislature.

Testimony in support of this measure was submitted by one individual. One state agency and one private organization submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the information and recommendations that would be provided through this measure would assist in the development of affordable housing. Your Committees agree with concerns raised, however, that the development of a standardized approval procedure for the counties may not be feasible, given the vast differences in the four counties.

Your Committees have amended this measure by:

- (1) Deleting the second Whereas clause's language regarding the Demographia surveys;
- (2) Clarifying that the Corporation, with the assistance of the four counties, is requested to identify core affordable housing approval procedures that each county can adopt;
- (3) Including county agencies and county councils in the list of entities to be consulted; and
- (4) Adding the directors of the county housing agencies and chairs of the county councils to those receiving certified copies of the Concurrent Resolution.

As affirmed by the records of votes of the members of your Committees on Education and Housing and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 87, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 87, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 9. Noes, none. Excused, 3 (Bunda, Fukunaga, Tsutsui).

**SCRep. 1158 Commerce and Consumer Protection on S.C.R. No. 69**

The purpose of this measure is to request that the Auditor perform a sunrise analysis of the licensing of athletic trainers.

Prior to a hearing on this measure, your Committee circulated a proposed draft that deleted the title and contents of the measure as received by your Committee and inserted therefor provisions that encourage the United States Congress to enact legislation regulating

the sale and marketing of tobacco products. Although the original measure requesting a sunrise analysis of regulating the athletic trainer industry did have merit, that measure was duplicative of another measure, S.C.R. No. 35, which your Committee has advanced.

Your Committee received testimony in support of the proposed S.D. 1 of this measure from the American Cancer Society, the American Heart Association, the American Lung Association, and Coalition for a Tobacco-Free Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that as tobacco companies attempt to hold market share in the face of declining tobacco sales, some tobacco companies are targeting young people, especially young women, through marketing. Your Committee finds that some of the marketing initiatives, especially "purse packs" of ultra-slim cigarettes in a pastel-colored, lipstick-shaped package, show contempt for young women and their health by putting a pink gloss on a product that causes heart disease and lung cancer which are two of the leading causes of death for women in this country. Your Committee further finds that the Federal Cigarette Labeling and Advertising Act, 15 United States Code section 1334, preempts state action in regulating the marketing and packaging of tobacco products. Your Committee finds that this measure expresses both the intent of the Legislature that cigarette marketing must be regulated and deference to the federal government's role in regulating commerce and setting national health policy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 69, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1159 Health on S.C.R. No. 56**

The purpose of this measure is to prevent and eradicate cervical cancer by requesting the Department of Health to increase educational efforts regarding cervical cancer screening and awareness by both men and all women.

Your Committee received testimony in support of this measure from the American Cancer Society. The Department of Health submitted testimony supporting the intent of this measure.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that all women should be educated on the importance of regular examinations that screen for early detection of cervical cancer. Though the federal Food and Drug Administration has approved the first vaccine that prevents cervical cancer and other diseases in females with an efficacy rate of ninety-five to one-hundred per cent, early detection remains the best prevention of cervical cancer for women who have not had the vaccine.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1160 Health on S.C.R. No. 102**

The purpose of this measure is to ensure that any legislative effort to repair the healthcare system in Hawaii incorporates sustainable wellness programs that address the underlying causal factors associated with chronic disease.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Primary Care Association, the Hawaii Government Employees Association, and Catholic Charities of Hawaii.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that continuing support to protect funding for primary prevention is important to ensuring the viability of sustainable wellness programs. These programs will reduce future health care costs by addressing the prevention of chronic disease and educating the public on the importance of healthy lifestyle changes.

Your Committee has amended this measure by making technical, nonsubstantive changes to the title and body for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 102, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1161 Health on S.C.R. No. 57**

The purpose of this measure is to educate the public on the proper cleaning of produce to mitigate the occurrence of rat lungworm disease.

Your Committee received testimony from the Department of Health supporting the intent of this measure with suggested amendments.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that is important to educate the public on the necessity of proper cleaning of raw produce. In addition, public education should be expanded to include all emerging and known pathogens and contaminants that may affect raw produce consumption.

Accordingly, your Committee has amended this measure by broadening the scope of the measure to include public education on the proper cleaning of produce regarding all emerging and known pathogens and contaminants that may affect raw produce consumption.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 57, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1162 Health on S.C.R. No. 77**

The purpose of this measure is to rename Maui Memorial Medical Center in honor of the late Representative Robert H. "Bob" Nakasone.

Your Committee received testimony in support of this measure from Senator Josh Green M.D., 3rd District.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Representative Nakasone championed the improvement of health care for the island of Maui and that without his work and persistence much health care advancement for the island of Maui would not have been realized. As such, your Committee finds that it is important to pay tribute to Representative Nakasone and his legacy by naming one of the Maui medical facilities in his honor.

Your Committee has amended this measure to allow for the exploration of other appropriate honors for Representative Nakasone, such as naming the new Heart, Brain, and Spine Center or the Maui Memorial Emergency Department in his honor.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1163 Health on S.C.R. No. 63**

The purpose of this measure is to assure that victims of rape and sexual assault receive the fullest and best care available by urging all hospital emergency rooms in the State to adhere to the accepted standard of care for victims of rape and sexual assault, including the administration of emergency contraception without delay and without adding insult to injury by requiring patient transfer to another institution.

This measure further provides that a private nonprofit institution would meet the standard for a religious employer exemption under Hawaii law regarding contraceptives only if:

- (1) The inculcation of religious values is the purpose of the entity;
- (2) The organization primarily employs persons who share its religious beliefs;
- (3) It is not staffed by public employees; and
- (4) The entity qualifies as a nonprofit organization under section 501(c)(3) of the Internal Revenue Code.

Your Committee received testimony in support of this measure from the Sex Abuse Treatment Center, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies, Community Alliance on Prisons, and the Democratic Party of Hawaii. Testimony in opposition to this measure was submitted by the Hawaii Family Forum.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, according to the American College of Obstetricians and Gynecologists, the American Medical Association, and the American College of Emergency Physicians, the accepted standard of care for victims of sexual assault includes the provision of emergency contraception.

Your Committee further finds that requiring all emergency rooms to provide victims of sexual assault with emergency contraception, if desired, is solely a health care issue. Providing for a religious exemption would indicate the State's endorsement of providing some victims of sexual assault with less than standard health care. All victims of sexual assault, regardless of which emergency room they receive care from, should be provided with the same accepted standards of care that include complete and accurate medical information and the option to receive emergency contraception.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the provision of emergency contraception is the accepted standard of care and is accepted as Catholic health care policy as published in *Ethical and Religious Directives for Catholic Health Care Services, Fourth Edition*; and
- (2) Removing the religious exemption.



As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 63, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 63, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1164 Health on S.R. No. 37**

The purpose of this measure is to assure that victims of rape and sexual assault receive the fullest and best care available by urging all hospital emergency rooms in the State to adhere to the accepted standard of care for victims of rape and sexual assault, including the administration of emergency contraception without delay and without adding insult to injury by requiring patient transfer to another institution.

This measure further provides that a private nonprofit institution would meet the standard for a religious employer exemption under Hawaii law regarding contraceptives only if:

- (1) The inculcation of religious values is the purpose of the entity;
- (2) The organization primarily employs persons who share its religious beliefs;
- (3) It is not staffed by public employees; and
- (4) The entity qualifies as a nonprofit organization under section 501(c)(3) of the Internal Revenue Code.

Your Committee received testimony in support of this measure from the Sex Abuse Treatment Center, Planned Parenthood of Hawaii, Healthy Mothers Healthy Babies, Community Alliance on Prisons, and the Democratic Party of Hawaii. Testimony in opposition to this measure was submitted by the Hawaii Family Forum.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, according to the American College of Obstetricians and Gynecologists, the American Medical Association, and the American College of Emergency Physicians, the accepted standard of care for victims of sexual assault includes the provision of emergency contraception.

Your Committee further finds that requiring all emergency rooms to provide victims of sexual assault with emergency contraception, if desired, is solely a health care issue. Providing for a religious exemption would indicate the State's endorsement of providing some victims of sexual assault with less than standard health care. All victims of sexual assault, regardless of which emergency room they receive care from, should be provided with the same accepted standards of care that include complete and accurate medical information and the option to receive emergency contraception.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the provision of emergency contraception is the accepted standard of care and is accepted as Catholic health care policy as published in *Ethical and Religious Directives for Catholic Health Care Services, Fourth Edition*; and
- (2) Removing the religious exemption.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1165 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 38**

The purpose of this measure is to urge the Department of Agriculture to develop a plan to increase aid and assistance to organic farmers.

Testimony in support of this measure was submitted by one organization and four public citizens. One state agency, two organizations, and three public citizens supported the intent of this measure. Testimony in opposition was submitted by one organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

In the past, researchers developing solutions for agricultural problems in Hawaii, did so to the exclusion of organic farmers. For example, the Papaya Ringspot Virus problem was solved by developing a genetically engineered variety, which is not permitted under organic certification standards. Recently, this trend has started to change with the development of the Hawaii Organic Seed Program and the Hawaii Area-wide Fruit Fly control program, which is a solution compatible with organic certification. Your Committee finds that there are still many issues that need to be addressed for Hawaii's organic farmers and the Food, Conservation, and Energy Act of 2008, Public Law No. 110-246, commonly referred to as the 2008 Farm Bill, specifically set aside funds for organic farming issues. Your Committee believes that this measure will ensure that the Department of Agriculture commits sufficient attention to organic farming issues in Hawaii and employs all resources available in the 2008 Farm Bill.

Your Committee has amended this measure by:

- (1) Including the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa as a stakeholder for organic farming; and
- (2) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1166 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 22**

The purpose of this measure is to urge the Department of Agriculture to develop a plan to increase aid and assistance to organic farmers.

Testimony in support of this measure was submitted by one organization and four public citizens. One state agency, two organizations, and three public citizens supported the intent of this measure. Testimony in opposition was submitted by one organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

In the past, researchers developing solutions for agricultural problems in Hawaii, did so to the exclusion of organic farmers. For example, the Papaya Ringspot Virus problem was solved by developing a genetically engineered variety, which is not permitted under organic certification standards. Recently, this trend has started to change with the development of the Hawaii Organic Seed Program and the Hawaii Area-wide Fruit Fly control program, which is a solution compatible with organic certification. Your Committee finds that there are still many issues that need to be addressed for Hawaii's organic farmers and the Food, Conservation, and Energy Act of 2008, Public Law No. 110-246, commonly referred to as the 2008 Farm Bill, specifically set aside funds for organic farming issues. Your Committee believes that this measure will ensure that the Department of Agriculture commits sufficient attention to organic farming issues in Hawaii and employs all resources available in the 2008 Farm Bill.

Your Committee has amended this measure by:

- (1) Including the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa as a stakeholder for organic farming; and
- (2) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 22, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 22, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1167 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 37**

The purpose of this measure is to request the Department of Agriculture to develop a plan for a State Organic Program to unify the State's organic certification practices and programs.

Specifically, this measure requests that the State Organic Program:

- (1) Provide consistent interpretation and application of National Organic Program rules;
- (2) Actively collect and disseminate information on organic farms in the State;
- (3) Educate the general public about what organic certification means;
- (4) Become a primary point of contact for the public reporting and investigation of violations of the National Organic Program;
- (5) Provide local guidelines for and administer the National Organic Program; and
- (6) Establish an Office for Organic Advocacy that would be committed to building a reliable, safe, and responsive organic farming industry, including coordinating other state agencies for organic farming research and marketing.

Testimony in support of this measure was submitted by one organization and one public citizen. One state agency supported the intent of this measure. Testimony in opposition was submitted by two organizations and three public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii needs to increase and diversify its agricultural output. Importing produce, especially organic produce, increases the State's risk of importing invasive species. Additionally, organic farmers are the most regulated farmers, strict standards and inspection regulations established by the United States Department of Agriculture (USDA) National Organic Program are implemented by third-party certifiers, and if a dispute arises the only recourse is to the USDA. Fifteen other states have established state organic programs to provide local administration of the USDA National Organic Program. This measure will provide the necessary planning to ensure an effective and efficient State Organic Program may be established.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 37 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1168 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 21**

The purpose of this measure is to request the Department of Agriculture to develop a plan for a State Organic Program to unify the State's organic certification practices and programs.

Specifically, this measure requests that the State Organic Program:

- (1) Provide consistent interpretation and application of National Organic Program rules;
- (2) Actively collect and disseminate information on organic farms in the State;
- (3) Educate the general public about what organic certification means;
- (4) Become a primary point of contact for the public reporting and investigation of violations of the National Organic Program;
- (5) Provide local guidelines for and administer the National Organic Program; and
- (6) Establish an Office for Organic Advocacy that would be committed to building a reliable, safe, and responsive organic farming industry, including coordinating other state agencies for organic farming research and marketing.

Testimony in support of this measure was submitted by one organization and one public citizen. One state agency supported the intent of this measure. Testimony in opposition was submitted by two organizations and three public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii needs to increase and diversify its agricultural output. Importing produce, especially organic produce, increases the State's risk of importing invasive species. Additionally, organic farmers are the most regulated farmers, strict standards and inspection regulations established by the United States Department of Agriculture (USDA) National Organic Program are implemented by third-party certifiers, and if a dispute arises the only recourse is to the USDA. Fifteen other states have established state organic programs to provide local administration of the USDA National Organic Program. This measure will provide the necessary planning to ensure an effective and efficient State Organic Program may be established.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 21 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1169 Commerce and Consumer Protection on Gov. Msg. No. 492**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 492 STEVEN R. OBERG CPA, for a term to expire 6-30-2010.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs, Hawaii Society of Certified Public Accountants, and one private citizen. Your Committee received a written statement and resume from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee has worked in the field of public accounting for thirty years, has been licensed as a certified public accountant for twenty-three years, and is currently the owner of a small accounting firm. Your Committee finds that, in addition to his professional experience, this nominee also has demonstrated a commitment to public service through active participation on the Kauai Community College Business Education Advisory Board. Your Committee notes that the Board of Public Accountancy has not had a representative from Kauai for at least the past decade. Your Committee finds that it is important that the Board's membership include representatives from neighbor islands and small businesses in order to fairly represent the profession of public accountancy in this State. Finally, your Committee finds that this nominee has been appointed based on his experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1170 Commerce and Consumer Protection on Gov. Msg. No. 461**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN NATUROPATHY

G.M. No. 461 KEVIN R. GIBSON, for a term to expire 6-30-2012.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. A written statement and resume was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee to the Board of Examiners in Naturopathy has served as an interim member of the Board since May 2008. In that time, the nominee has been a reliable member who regularly attends Board meetings and uses his experience practicing naturopathic medicine to contribute to discussions. Your Committee notes that the nominee has expressed a strong interest in advancing the health and safety of the public by enforcing high standards in his profession. Your Committee further notes that the nominee has demonstrated a long-standing commitment to advancing public health and safety both as a licensed Naturopathic Physician and in his prior career in the field of environmental health and engineering science. Your

Committee finds that the nominee has been appointed based on his professional experience, knowledge, and commitment to public health and service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1171 Commerce and Consumer Protection on Gov. Msg. No. 462**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF NURSING

G.M. No. 462 JAEDA R. ELVENIA, for a term to expire 6-30-2012.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and one private citizen. A written statement and resume was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that this nominee to the Board of Nursing has twenty-five years of experience in the field of nursing, including experience in both clinical and management roles in clinical, home health, and academic settings. Your Committee finds that the nominee has a good understanding of the functions and responsibilities of the Board of Nursing and has demonstrated a commitment to maintaining high standards in the nursing profession. Your Committee notes that the nominee presently works as a clinical manager of a medical-surgical unit and labor and delivery department. In this position, the nominee has become familiar with state and federal regulations and regulatory agencies. Your Committee finds that the nominee has been appointed based on her professional experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1172 Commerce and Consumer Protection on Gov. Msg. Nos. 463 and 464**

Recommending that the Senate advise and consent to the nominations of the following:

REAL ESTATE COMMISSION

G.M. No. 463 WALTER L. HARVEY III, for a term to expire 6-30-2013; and

G.M. No. 464 STANLEY M. KURIYAMA, for a term to expire 6-30-2013.

Your Committee received testimony in support of the appointment of Walter L. Harvey, III from the Department of Commerce and Consumer Affairs and four private citizens. Your Committee received testimony in support of the reappointment of Stanley M. Kuriyama from the Department of Commerce and Consumer Affairs, the Real Estate Commission, and six private citizens. Written statements and resumes were received from Mr. Harvey and Mr. Kuriyama. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that Walter L. Harvey has twenty-seven years of experience in the real estate industry, both as a salesperson and a broker. This nominee has been active in professional organizations and served for seventeen years on the San Jose, California Board of Realtors. Your Committee finds that this nominee has a good understanding of the role of the Real Estate Commission in protecting consumers. In addition, this nominee holds several professional designations which reflect expertise and education in specialized areas such as resort and second property, senior real estate issues, diversity issues, and internet technology. Your Committee finds that this nominee has been appointed based on his experience, knowledge, and commitment to public service.

Your Committee further finds that Stanley M. Kuriyama has served on the Real Estate Commission for a total of twelve years, currently holds the position of Vice-Chair, and has previously held the position of Chair of the Condominium Review Committee. Your Committee finds that this nominee is always well-prepared for meetings and has demonstrated keen knowledge of the laws and rules affecting the Commission's work as well as of the Commission's regulatory function. Your Committee finds that this nominee is well respected by his colleagues on the Commission for his ability to articulate solutions to complex matters. Finally, your Committee finds that this nominee has been reappointed based on his experience, knowledge, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1173 Commerce and Consumer Protection on Gov. Msg. No. 518**

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 518 RICHARD J.Y. LOUIS, for a term to expire 6-30-2012.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. Your Committee also received a written statement and resume from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Upon review of the testimony, your Committee finds that the nominee has an extensive background in engineering, including several aspects of construction and civil engineering. Your Committee finds that his professional experience gives the nominee a good understanding of the general issues that are involved in the field of elevator mechanics, and an appreciation of the importance of safety for both elevator workers and the general public. Your Committee notes that the nominee has demonstrated a commitment to public service through volunteer work with youth for more than fifteen years. Your Committee further finds that the nominee has been appointed based on his experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Ihara, Sakamoto).

**SCRep. 1174 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 593**

The purpose of this measure is to authorize the Department of Land and Natural Resources (DLNR) to establish a temporary coastal construction moratorium along Kailua Beach to preserve the beach for the use and enjoyment of future generations.

Testimony in support of this measure was submitted by one state agency, two organizations, and three public citizens. One state agency supported the intent, and three public citizens provided comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the potential impacts of future coastal erosion and sea-level rise necessitate planning beyond current environmental parameters. Your Committee affirms the importance of proactively working toward a stewardship plan that helps to protect development from coastal hazards, conserves and protects the beaches, preserves recreational uses of coastal resources, and minimizes future impacts to the coastal ecosystem. Your Committee believes that coastal construction moratoriums can be an effective tool to stop seaward expansion on threatened beaches and that DLNR should conduct a statewide survey of beaches to determine where a moratorium is needed, subject to the availability of funding.

Your Committee further finds that an interim coastal construction moratorium for Kailua Beach, which is one of the few beaches that is fully urban, accreting, and entirely unarmored will minimize current and future impacts of shoreline erosion.

Your Committee has amended this measure by:

- (1) Expanding the scope of DLNR's authorization to establish coastal construction moratoriums from only Kailua Beach to include any beach in the State which meets the specified conditions;
- (2) Requiring DLNR to establish an interim coastal construction moratorium for Kailua Beach upon the Board of Land and Natural Resources finding specified conditions;
- (3) Amending the purpose section to reflect these changes;
- (4) Removing the sunset date, and changing the effective date to July 1, 2009;
- (5) Inserting a severability clause; and
- (6) Making technical, nonsubstantive changes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 593, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 593, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Bunda, Hemmings).

**SCRep. 1175 (Joint) Water, Land, Agriculture and Hawaiian Affairs and Economic Development and Technology on H.B. No. 1141**

The purpose of this measure is to authorize government personnel conducting operations approved by the Department of Land and Natural Resources (DLNR) and film permit holders involved in film production conducting operations approved by DLNR to operate thrill crafts in non-designated areas, and require thrill craft involved in film production to be assessed the same fees as boats and vessels.

Testimony in support of this measure was submitted by two state agencies, one county agency, four organizations, and seven public citizens. Testimony in opposition was submitted by one neighborhood board and four public citizens. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that thrill craft are only permitted in designated areas. However, thrill craft have proven to be an effective tool for monitoring natural resources and providing public safety. Jet skis, for example, are able to access areas that boats are unable to

operate in, due to jet ski's minimal draft and jet drive systems. This measure will permit government personnel conducting operations approved by DLNR to operate thrill craft in non-designated areas, thus allowing DLNR staff to access shallow nearshore areas to monitor the effect of the newly implemented ban on the use of lay gill nets around Maui, conduct shallow water fish and habitat surveys, assess and survey opihī populations, and map water quality using Geographic Information System linked instruments.

Your Committees further find that the use of thrill craft for film production operations is limited to water safety usage in designated areas. This measure would permit the use of thrill craft in non-designated areas approved by DLNR for water safety, transport of cast and crew members, and camera positioning. Hawaii has a global reputation for pristine waters and world class surf, which attracts film productions. Many of the top water safety experts in the film industry are from Hawaii. Film productions are temporary, and stimulate the economy by providing well paying jobs and positive exposure for the State.

Your Committees have amended this measure by:

- (1) Removing the fee assessment, which can be assessed through the film permit process authorized by the Memorandum of Agreement between DLNR and the Department of Business, Economic Development, and Tourism;
- (2) Inserting a sunset date of June 30, 2014 for the authorization of film permit holders involved in film production to operate thrill craft; and
- (3) Requiring that DLNR and the Hawaii Film Office report to the Legislature annually on the implementation and use by film permit holders of thrill craft pursuant to this measure.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1141, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1141, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 3 (Bunda, Kokubun, Hemmings).

**SCRep. 1176 Ways and Means on Gov. Msg. No. 372**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUA'I)

G.M. No. 372 JOSE R. DIOGO, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statements submitted by the nominee and finds that Jose R. Diogo possesses the requisite qualifications to be nominated to the Board of Taxation Review for the 4th Taxation District.

The Department of Taxation, Mayor of the County of Kauai, and three individuals submitted written testimony supporting the nomination of Jose R. Diogo. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Diogo is a real estate appraiser who has been licensed by the State for more than fifteen years. He currently owns his own real estate appraisal business. Mr. Diogo has served three terms on the Board of Taxation Review for the 4th Taxation District and continues to contribute to, and actively participate in, Board deliberations. Mr. Diogo's knowledge in state tax law and his commitment to the Board of Taxation will ensure that tax issues presented to the Board are properly and expeditiously handled.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Hee, Kokubun, Hemmings).

**SCRep. 1177 Ways and Means on Gov. Msg. No. 373**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 373 RONALD A. KAWAHARA, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee and finds Ronald A. Kawahara to possess the requisite qualifications to be nominated to the Board of Taxation Review for the 2nd Taxation District.

Testimony in support of the nomination of Ronald A. Kawahara was received from the Department of Taxation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ronald A. Kawahara is a Certified Public Accountant, licensed in Hawaii in 1974, and has served as President of the public accounting firm of Ronald A. Kawahara & Co., CPA's, Inc. for nearly forty years. Mr. Kawahara is also a licensed Certified Valuation Analyst, Certified Property Manager, Professional Community Association Manager, and Real Estate Broker. Mr. Kawahara possesses a Bachelor of Business Administration degree from the University of Hawaii at Manoa. He is active in the tax community, having been a member of the American Institute of Certified Public Accountants, the Hawaii Society of Certified Public Accountants, and the Hawaii Association of Public Accountants. Mr. Kawahara's nomination is for a reappointment to the Board of Taxation Review, and he currently serves as the Chairperson of the Board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Hee, Kokubun, Hemmings).

**SCRep. 1178 Ways and Means on Gov. Msg. No. 374**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (OAHU)

G.M. No. 374 MARIA J. LOWDER, for a term to expire 6-30-2013.

Your Committee reviewed the personal statement, resume, and application submitted by the nominee and finds Maria J. Lowder to possess the requisite qualifications to be nominated to the Board of Taxation Review for the 1st Taxation District.

Testimony in support of the nomination of Maria J. Lowder was submitted by the Department of Taxation and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Maria J. Lowder holds a Bachelor of Arts degree from the University of California at Los Angeles and a Master's degree in Business Administration from Pepperdine University. Ms. Lowder is a Certified Public Accountant licensed in Hawaii. She has had her own firm for over twenty nine years and specializes in taxation issues. Ms. Lowder has been a member of the Board of Taxation Review since 2002 and is the current chair of the Board. She is knowledgeable in Hawaii tax law and Board of Taxation Review procedures. Furthermore, Ms. Lowder is an effective leader who conducts Board of Taxation Review hearings and renders rulings and decisions in a fair and impartial manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (Galuteria, Hee, Kokubun, Hemmings).

**SCRep. 1179 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 515**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 515 CLARK S. HASHIMOTO, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Clark S. Hashimoto to have the necessary qualifications to be nominated to the Board of Agriculture.

Testimony in support of the nomination of Clark S. Hashimoto was submitted by one state agency, one county agency, two organizations, and nine individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Hashimoto earned a Bachelor of Science in Agriculture Business Management from California Polytechnic State University, San Luis Obispo. He is currently an Agriculture Specialist for the County of Maui's Office of Economic Development. Prior to his current position, Mr. Hashimoto worked for twenty-eight years as a County Extension Agent and County Administrator for the University of Hawaii's College of Tropical Agriculture and Human Resources, three years as a full-time persimmon farmer, and two years as an Agriculturalist with the Hawaiian Sugar Planters Association.

In addition to building extensive work experience in agriculture, Mr. Hashimoto has also served as a Board member of the Maui County Farm Bureau and Board of Water Supply. He is a current member of the Makawao Hongwanji Mission and has been a youth baseball coach for over twenty years. He has worked hard to build his family's persimmon business, increasing production, expanding the marketing of products to Oahu, and selling a broader range of products. Mr. Hashimoto is committed to educating the youth on agriculture and food, which is just one of the reasons he is well-respected, especially within the Maui agricultural community.

Mr. Hashimoto offers a unique perspective with significant experience in the private and public sectors, depth of knowledge and experience in agriculture, and solid character, all of which make him an excellent candidate for the Board of Agriculture.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 1180 Labor on S.C.R. No. 64**

The purpose of this measure is to request each jurisdiction within the State to review the assignment of classes to pay ranges at least once every five years, pursuant to chapter 89, Hawaii Revised Statutes, to ensure competitive and equitable compensation for civil service employees.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by three state agencies and three county agencies. Comments were submitted by one county agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure supports the merit principle of equal pay for equal work between classes within the same bargaining unit, pursuant to section 76-1, Hawaii Revised Statutes, thereby promoting fair, competitive, and equitable compensation for civil service employees.

Your Committee has amended this measure by requiring that a copy of each repricing review be:

- (1) Submitted to the appropriate bargaining units to which the repricing reviews pertain; and
- (2) Made available online.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 64, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1181 Labor on S.R. No. 38**

The purpose of this measure is to request each jurisdiction within the State to review the assignment of classes to pay ranges at least once every five years, pursuant to chapter 89, Hawaii Revised Statutes, to ensure competitive and equitable compensation for civil service employees.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by three state agencies and three county agencies. Comments were submitted by one county agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure supports the merit principle of equal pay for equal work between classes within the same bargaining unit, pursuant to section 76-1, Hawaii Revised Statutes, thereby promoting fair, competitive, and equitable compensation for civil service employees.

Your Committee has amended this measure by requiring that a copy of each repricing review be:

- (1) Submitted to the appropriate bargaining units to which the repricing reviews pertain; and
- (2) Made available online.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1182 Labor on S.C.R. No. 67**

The purpose of this measure is to request the House and Senate Committees on Labor to conduct joint hearings to assess the performance of the Board of Trustees of the state Deferred Compensation Plan and plan administrators, and to recommend appropriate means to resolve complaints by Plan members.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the current recession and instability in financial markets make it crucial for participants of the state Deferred Compensation Plan to be able to easily access information and assistance regarding their investment options.

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

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 67, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 67, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1183 Labor on S.R. No. 41**

The purpose of this measure is to request the House and Senate Committees on Labor to conduct joint hearings to assess the performance of the Board of Trustees of the state Deferred Compensation Plan and plan administrators, and to recommend appropriate means to resolve complaints by Plan members.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that the current recession and instability in financial markets make it crucial for participants of the state Deferred Compensation Plan to be able to easily access information and assistance regarding their investment options.

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

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 41, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 41, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1184 Commerce and Consumer Protection on H.B. No. 591**

The purpose of this measure is to authorize and encourage the establishment of preferential rates for renewable energy produced in conjunction with agricultural activities.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, Hawaii Crop Improvement Association, and Alexander & Baldwin, Inc. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs. Testimony in opposition to this measure was received from the Public Utilities Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will assist the State in achieving its goals of increased energy self-sufficiency and increased agricultural sustainability. Your Committee further finds that preferential rates for electrical energy produced in conjunction with agricultural activities will support the long-term viability of both renewable energy production and sustainable agriculture.

Your Committee has amended this measure by:

- (1) Amending section one to clarify the definition of renewable energy produced in conjunction with agricultural activities; and
- (2) Making technical, substantive changes for the purpose of clarity and accuracy in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 591, 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. 591, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1185 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1436**

The purpose of this measure is to amend the permitted uses of land within the agricultural district with soil classifications of A or B to include agricultural education programs conducted on a farming operation.

Testimony in support of this measure was submitted by two state agencies, two organizations, and two public citizens. One county agency and one organization submitted comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the law presently does not clearly authorize a farmer to provide educational programs within state agricultural districts, and the only option is to pursue a special use permit at either the county or state level. Farm educational programs encourage career paths in agriculture, raise public awareness, and increase demand for locally produced agricultural products. On-farm educational programs connect consumers to farming and farmers. Clarifying that educational programs are permitted in state agricultural districts will eliminate the need for the costly and time consuming process of applying for a special use permit and ensure that farmers can include planned educational facilities as part of their agricultural lease terms.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1436, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Hemmings).

**SCRep. 1186 Energy and Environment on S.C.R. No. 89**

The purpose of this measure is to request that the Department of Health's Clean Water Branch and Solid and Hazardous Waste Branch, the Honolulu Police Department, and the City and County of Honolulu's Departments of Environmental Services and Planning and Permitting investigate illegal dumping and illegal structures along Laumaile Street in Kalihi and to coordinate the cleanup, pollution prevention, and the enforcement of pollution, anti-dumping, and other applicable laws in that area.

Testimony in support of this measure was submitted by one state department and two individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there are ongoing challenges in this area, due to actions by residents and others. These challenges are compounded by the limited resources of state and county agencies that are needed to monitor this area to ensure compliance with federal and state laws and county ordinances. While it appears that community groups and government agencies have separately attempted to address the problems in this area, a more effective strategy may be to remedy these issues and other associated problems through a combined effort among the Department of Health's Clean Water Branch and Solid and Hazardous Waste Branch, the

Honolulu Police Department, and the City and County of Honolulu's Departments of Environmental Services and Planning and Permitting.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 89, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Kokubun, Hemmings).

**SCRep. 1187 Energy and Environment on S.R. No. 55**

The purpose of this measure is to request that the Department of Health's Clean Water Branch and Solid and Hazardous Waste Branch, the Honolulu Police Department, and the City and County of Honolulu's Departments of Environmental Services and Planning and Permitting investigate illegal dumping and illegal structures along Laumaile Street in Kalihi and to coordinate the cleanup, pollution prevention, and the enforcement of pollution, anti-dumping, and other applicable laws in that area.

Testimony in support of this measure was submitted by one state department. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that there are ongoing challenges in this area, due to actions by residents and others. These challenges are compounded by the limited resources of state and county agencies that are needed to monitor this area to ensure compliance with federal and state laws and county ordinances. While it appears that community groups and government agencies have separately attempted to address the problems in this area, a more effective strategy may be to remedy these issues and other associated problems through a combined effort among the Department of Health's Clean Water Branch and Solid and Hazardous Waste Branch, the Honolulu Police Department, and the City and County of Honolulu's Departments of Environmental Services and Planning and Permitting.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 55, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 55, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Kokubun, Hemmings).

**SCRep. 1188 Commerce and Consumer Protection on H.B. No. 1070**

The purpose of this measure is to update the Code of Financial Institutions to address temporary office relocations and to place prudent limits on certain kinds of investments by financial institutions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Testimony with comments was received from Hawaii Bankers Association and Hawaii Financial Services Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is essential for the Code of Financial Institutions to remain up to date, especially in the current economic environment. The current recession and the federal government's economic stimulus policy will affect the operations of financial institutions. Hawaii's administrative and regulatory structure must remain responsive to changing market conditions and federal regulations.

Your Committee has amended this measure by:

- (1) Providing that written notice to the Commissioner of Financial Institutions of a temporary branch closure or relocation is not required if the financial institution reopens the branch within two business days;
- (2) Providing that a bank or savings bank may invest in certain debt obligations of the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, and the Federal Home Loan Banks without limits;
- (3) Providing that a bank or savings bank may invest in securities such as preferred stock of the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association that are not debt obligations, subject to a limit of twenty per cent of the bank or savings bank's capital and surplus;
- (4) Providing that a bank or savings bank may invest in certain securities issued by a public-private investment fund established in connection with the Legacy Loans Program and Legacy Securities Program of the United States Treasury and Federal Deposit Insurance Corporation subject to a limit of five per cent of the bank or saving bank's capital and surplus; and
- (5) Deferring its effective date.

Your Committee is aware that the amended investment provisions are subject to continued discussion among the stakeholders to provide for avenues of safe and prudent investments consistent with the desirable goal of achieving reasonable returns to financial institutions. Your Committee has included these provisions at this time in order to address these issues in conference committee. Your Committee notes that the amended provision relating to public-private investment funds is a response to a program announced by the United States Treasury and Federal Deposit Insurance Corporation on March 23, 2009 to unfreeze the credit market by structuring a market for the sale of certain loans to private investors with the assistance of the federal government. While stakeholders are currently seeking more information on this program, your Committee finds that it is prudent at this time to provide potential enabling

authorization for banks and savings banks to participate as investors in the program and to address this issue more concretely in conference committee.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1070, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1189 (Joint) Health and Education and Housing on H.B. No. 1538**

The purpose of this measure is to ensure the health and safety of public schools by requiring the Department of Health to establish guidelines and specifications for environmentally-sensitive cleaning and maintenance products for use in all public school facilities.

Your Committees received testimony in support of this measure from the Department of Education and the Sierra Club. Your Committees received testimony in opposition to this measure from the Department of Health and The Consumer Specialty Products Association. The American Chemistry Council submitted comments on this measure.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that children are vulnerable to and may be severely affected by exposure to chemicals, hazardous waste, and other environmental hazards. Children, teachers, janitors, and other staff members spend a significant amount of time inside school buildings and are continuously exposed to chemicals from cleaners, waxes, deodorizers, and other maintenance products.

Your Committees further find that Green Seal is an independent, internationally recognized, non-profit organization that evaluates and promotes the use of environmentally responsible products and services. Several states, including New York, Maine, and Illinois, have implemented the Green Seal program in the purchase of environmentally-safe products in public schools.

Your Committees have amended this measure by:

- (1) Requiring the Department of Education to require that all public school facilities give first preference, where feasible, to the purchase and use of environmentally-sensitive cleaning and maintenance products that have been approved by the Green Seal program for use in public school facilities; and
- (2) Requiring the Department of Health to maintain a list of products that have been approved by the Green Seal program for public school facilities to use as a first preference guideline when purchasing and using environmentally-sensitive cleaning and maintenance products; provided that the department may add or remove any product from the list as deemed necessary by the director.

As affirmed by the records of votes of the members of your Committees on Health and Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1538, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1538, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 9. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 1190 (Joint/Majority) Health and Energy and Environment on H.B. No. 834**

The purpose of this measure is to revise certain state water quality standards for inland and marine waters on an interim basis to conform to levels recommended by the State of Hawaii and United States Environmental Protection Agency, until the state Department of Health proposes, and the United States Environmental Protection Agency approves, standards for the pollutants and indicator organism identified in this measure, pursuant to the review of state water quality standards mandated under Section 303(c) of the Federal Water Pollution Control Act of 1972, as amended.

Your Committees received testimony in support of this measure from the City and County of Honolulu Department of Environmental Services, the American Public Workers Association, and the Hawaii Water Environment Association. The Department of Health submitted testimony supporting the measure with amendments. Testimony in opposition to this measure was submitted by the Sierra Club, the Dowling Company, Inc., Hawaii's Thousand Friends, and nineteen individuals.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the United States Environmental Protection Agency recently denied the City and County of Honolulu's applications to renew permits under Section 301(h) of the Federal Clean Water Act for both wastewater treatment plants located in Honolulu.

Therefore, your Committees find that it is necessary to conform the State's water quality standards for toxic pollutants to the national criteria currently recommended by the Environmental Protection Agency. In addition, the bacteria indicators for recreational waters should be consistent with Environmental Protection Agency standards. The adoption of these standards is important to the State's economic and social development and necessary to protect our natural resources.

Your Committees have adopted the Department of Health's recommendations and amended this measure by:

- (1) Replacing "chromium IV" with "chromium VI" in section 2 (a)(1) of the measure;
- (2) Inserting a table of numeric standards for toxic pollutants applicable to all waters that fully incorporates the water quality standards adopted by the State pursuant to subsections (a) and (b) and the relevant provisions of chapter 11-54, Hawaii Administrative Rules, that are not repealed or deemed inconsistent with this Act so that these standards remain in effect; and

- (3) Clarifying that the freshwater standards shall apply where the dissolved inorganic ion concentration is less than 0.5 parts per thousand and the saltwater standards shall apply above 0.5 parts per thousand, values for metals refer to the dissolved fraction, and that all values are expressed in micrograms per liter.

As affirmed by the records of votes of the members of your Committees on Health and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 834, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 834, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Ayes with Reservations, 1 (Hooser). Noes, 1 (Green). Excused, 3 (Espero, Ihara, Hemmings).

**SCRep. 1191      Judiciary and Government Operations on H.B. No. 1212**

The purpose of this measure is to protect from public disclosure certain information compiled as part of an inquiry into an individual's fitness to be granted or to retain a professional or vocational license.

Under this measure, records of complaints and their dispositions would not be disclosed.

Your Committee received testimony in support of and in opposition to this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Section 92F-12, Hawaii Revised Statutes, generally requires government records to be made available for public inspection. Section 92F-13(1), Hawaii Revised Statutes, provides an exception for "government records which, if disclosed, would constitute a clearly unwarranted invasion of personal privacy." Where "the public interest in disclosure outweighs the privacy interest of the individual," section 92F-14(a), Hawaii Revised Statutes, holds that disclosure is not a "clearly unwarranted invasion of personal privacy."

According to section 92F-14(b), Hawaii Revised Statutes, "examples of information in which the individual has a significant privacy interest," include "information compiled as part of an inquiry into an individual's fitness to be granted or to retain a license," except for, among other things, "the record of any proceeding resulting in discipline of a licensee and the grounds for discipline" and "the record of complaints including all dispositions." This measure deletes the latter exception.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Inserting a sunset of July 1, 2014, in the interests of reviewing the measure again to evaluate its implementation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1212, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1212, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Bunda, Takamine).

**SCRep. 1192      (Joint) Labor and Human Services on H.B. No. 332**

The purpose of this measure is to establish eligibility for unemployment insurance for persons separated from employment as a result of domestic or sexual violence.

While the original purpose of this measure is important, your Committees find that as a result of the current economic recession, businesses in Hawaii are facing unprecedented challenges that will likely result in some companies being sold. To minimize detrimental effects to the State's economy and its citizens, steps must be taken now to promote seamless transfers with minimum disruption to business productivity and employment security. Accordingly, your Committees replaced the contents of this measure with new language establishing job security and other requirements upon the divestiture of a covered business establishment.

Testimony in support of the proposed draft was submitted by two organizations. Testimony in opposition to the proposed the proposed draft was submitted by one state agency and six organizations. Written testimony presented to the Committees may be reviewed on the Legislature's website.

As amended by your Committees, this measure:

- (1) Establishes worker retention requirements and consequences for violations of these requirements;
- (2) Clarifies when a successor employer may retain less than one hundred per cent of the former employer's incumbent employees;
- (3) Clarifies that the measure shall not be construed to abrogate an employer's right to manage the employer's employees; and
- (4) Has an effective date of July 1, 2050, to promote further discussion of this measure.

In response to express concern regarding potential unintended consequences of the proposed draft, your Committees note that the proposed draft does not amend the definition of "covered establishment" in section 394B-2, Hawaii Revised Statutes, thereby limiting the industrial, commercial, and other business entities subject to the requirements of this proposed draft to entities with fifty or more employees.

As affirmed by the records of votes of the members of your Committees on Labor and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 332, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 332, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 6. Ayes with Reservations, 1 (Ihara). Noes, none. Excused, 3 (Bunda, Hemmings, Slom).

**SCRep. 1193      Ways and Means on H.B. No. 34**

The purpose of this measure is to place an overall limit on the total amount of general obligation bonds that may be issued for the capital improvement projects in the executive and judiciary budget acts.

This bill also provides a declaration of findings with respect to those authorizations as mandated by the Hawaii State Constitution.

Testimony in support of the measure was submitted by one government agency. The written testimony may be reviewed on the Legislature's website.

Your Committee finds that the declaration of findings and the bond authorization in this bill are necessary to ensure that the total amount of general obligation bonds authorized or outstanding will not cause the State's constitutionally-imposed debt limit to be exceeded.

Your Committee has amended this measure to facilitate further discussion of the measure by:

- (1) Setting a total \$1 limit on the issuance of general obligation bonds;
- (2) Inserting the bill numbers for the General Appropriations Act of 2009 and the Judiciary Appropriations Act of 2009; and
- (3) Changing the effective date to July 1, 2090.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 34, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 34, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kokubun, Hemmings).

**SCRep. 1194      Ways and Means on H.B. No. 35**

The purpose of this measure is to provide the general income tax credit under Article VII, section 6 of the Hawaii Constitution.

Specifically, this measure fulfills the requirement of Article VII, section 6, of the Hawaii Constitution that the Legislature provides a tax credit or tax refund when the state general fund balance, at the close of each of two successive fiscal years, exceeds five per cent of the general fund revenues for each of the two fiscal years.

One state agency provided testimony that supported the intent of this measure one private organization provided comments. Written testimony may be reviewed on the Legislature's website.

Your Committee finds that the conditions of Article VII, section 6, of the Hawaii Constitution have been satisfied because of the surplus in general fund revenues realized over the past two fiscal years. Your Committee feels that despite the economic constraints placed on the budgetary consideration of late, the Legislature is obligated to comply with the State Constitution and provide a tax credit or tax refund to the taxpayers of the State.

Your Committee has amended the measure by:

- (1) Making the general income tax credit unspecified; and
- (2) Making the effective date July 1, 2050, for purposes of facilitating further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 35, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 35, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kokubun, Hemmings).

**SCRep. 1195      Ways and Means on H.B. No. 573**

The purpose of this measure is to strengthen the State's financial reserves.

Specifically, this measure requires an unspecified percentage of any carryover cash surplus in the state general fund balance at the close of a fiscal year to be deposited into the emergency and budget reserve fund.

Testimony in support of this measure was submitted by one government agency and one private organization. Comments on this measure were submitted by one private organization. The written testimony and comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is essential to ensure that the State has sufficient financial reserves to address the purposes of the emergency and budget reserve fund. Upon further consideration, however, your Committee believes that a ceiling should be imposed on the amount of any carryover cash surplus to be deposited from the general fund to the emergency and budget reserve fund, to ensure that the State has sufficient resources to meet outstanding obligations.

Accordingly, your Committee has amended this measure to set a ceiling equal to an unspecified percentage of the sum of all general fund revenues received in the prior three fiscal years for deposit from the general fund into the emergency and budget reserve fund in any fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 573, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 573, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kokubun, Hemmings).

**SCRep. 1196 Ways and Means on H.B. No. 1495**

The purpose of this measure is to repeal the income tax deduction for wagering losses.

One private organization submitted comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the current economic difficulties faced by the State make it untenable to continue to allow the deduction of wagering losses against wagering income for the purposes of state income taxation. Your Committee believes that this deduction deprives the State of revenue that could otherwise go to fund the delivery of essential state services. Your Committee further finds that a repeal of the deduction will help the State's financial plan by reducing the current budget deficit.

Your Committee has amended this measure by further changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1495, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1495, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 1197 Ways and Means on H.B. No. 1544**

The purpose of this measure is to conform the state tax exemption to the personal exemption phase-out provision found in section 151 of the Internal Revenue Code.

Additionally, this measure adjusts the income level at which the phase-out begins by using the inflation-adjusted amounts as of July 1, 2008, and by further reducing those amounts by twenty-five per cent. This measure will be repealed on June 30, 2015.

One state agency submitted testimony in opposition to this measure. One organization submitted comments on this measure. Written testimony and comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will result in a phase-out of the personal exemption (which is \$1,040) for higher income earners. Your Committee further finds that reducing the phase-out threshold for the state personal income tax exemption will create savings for the State that are necessary to the State's financial plan for closing the current budget deficit.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1544, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1544, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 1198 (Majority) Ways and Means on H.B. No. 1550**

The purpose of this measure is to impose the state income tax on rollovers made by employees of state and county agencies and tax-exempt organizations from qualifying annuity plans and qualifying deferred compensation plans, to eligible retirement plans or individual retirement accounts.

Comments on this measure were submitted by one private organization. The written comments may be reviewed on the Legislature's website.

Your Committee finds that employees who roll over or transfer contributions from their deferred-compensation plans to purchase Employees' Retirement System membership service credits or to upgrade their noncontributory plan service to hybrid plan service in the future are not assessed an income tax on these funds. Since, under current law, pension distributions from the hybrid plan are not subject to income tax, these rollover or transferred funds completely escape Hawaii income tax. Your Committee further finds that, since deferred compensation plans would normally be taxed when an employee withdraws these funds at a later date, taxing the rolled over or transferred funds at the time they are rolled over or transferred would appear to be equitable and fair.

Your Committee has amended this measure by changing the effective date to July 1, 2090, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1550, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1550, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (English).

**SCRep. 1199      Ways and Means on H.B. No. 1744**

The purpose of this measure is to temporarily suspend the distribution of transient accommodation tax revenues to the counties from July 1, 2009, until June 30, 2015.

Testimony in support of this measure was submitted by three individuals. Testimony opposed to this measure was submitted by one state agency, twenty-one county agencies and public officials, sixteen private organizations, and thirty individuals. Comments on this measure were submitted by one private organization and sixteen individuals. The written testimony and comments may be reviewed on the Legislature's website.

Your Committee notes the enormous deficit the State is facing in the coming years due to expected revenue shortfalls. With the present fiscal crisis, the State must explore all available avenues to meet the constitutional mandate of a balanced budget.

Accordingly, your Committee has amended this measure by permanently repealing any distribution of the transient accommodation tax, imposed pursuant to section 237D-2, Hawaii Revised Statutes, to the various counties effective July 1, 2010. However, your Committee realizes that the counties are dependent upon their portions of the transient accommodation tax and, therefore, has further amended this measure by authorizing each county to impose, by ordinance, starting on January 1, 2010, a surcharge on the transient accommodation tax, not to exceed five per cent. Finally, your Committee has changed the effective date to July 1, 2046, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1744, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1744, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Ayes with Reservations, 7 (Chun Oakland, English, Fukunaga, Galuteria, Hooser, Kokubun, Tsutsui). Noes, none. Excused, none.

**SCRep. 1200      (Majority) Ways and Means on H.B. No. 1747**

The purpose of this measure is to increase the Hawaii state income tax rates for high income earners.

This measure also increases the amount of the standard deduction and the personal exemption allowable in taxable years beginning after December 31, 2010.

One organization and one concerned individual submitted testimony in support of this measure. One government agency, one organization, and one concerned individual submitted testimony in opposition to this measure. One organization submitted comments on this measure. Written testimony and comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would increase the standard deduction and personal exemption amounts to provide tax relief to lower income earners. Your Committee also finds that creating additional tax brackets and higher income tax rates for high income earners is a progressive tax policy that would spread the tax burden more equitably among Hawaii's taxpayers. Your Committee also believes that this measure raises badly needed tax revenue for the State during the current economic crisis.

Your Committee has amended this measure by:

- (1) Raising the tax bracket amounts at which the higher tax rates begin for:
  - (A) Joint filers: \$350,000;
  - (B) Head of household filers: \$250,000; and
  - (C) Single filers: \$200,000;
- (2) Changing the effective date to January 1, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1747, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1747, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1201      Human Services on H.B. No. 813**

The purpose of this measure is to designate an unspecified month as "Language Access Month" to promote awareness of language access for government services and emphasize the importance of and need for language access in Hawaii's diverse society.

Testimony in support of this measure was submitted by the Department of Labor and Industrial Relations Office of Language Access, the Hawaii Civil Rights Commission, the Congress of Visayan Organizations, the United Filipino Council of Hawaii, the Filipino American Citizens League, the Filipino Coalition for Solidarity, Filipinos for Affirmative Action, Nursing Advocates and Mentors, Inc., Oahu Filipino Community Council, Hawaii Immigrant Justice Center, Hawaii Interpreter Action Network, and one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that Hawaii ranks fourth in the nation for largest foreign born population, with 17.9 per cent, and is at the forefront of language access issues. In 2006, the Legislature adopted Act 290 to ensure equal access to state programs, services, and

activities for persons with limited English proficiency. The Act requires state agencies to take reasonable steps to provide meaningful language services either through the oral language services of an interpreter or written language services using translated documents.

The celebration of Language Access Month will serve to foster and promote these language access activities in Hawaii and inform the public of their existence, so that language access will be viewed as a vital component of the State's provision of basic government services. Language Access Month is a celebration of Hawaii's diversity. September is a month when the community's focus and awareness returns to education, as the new school year begins. Language Access Month can be celebrated along with other international days like September 21, the United Nations International Day of Peace.

Your Committee has amended this measure by:

- (1) Designating the month of September as "Language Access Month";
- (2) Changing the effective date to upon approval; and
- (3) Making technical, nonsubstantive changes for the purposes of style and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 813, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 813, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

#### **SCRep. 1202      Judiciary and Government Operations on H.B. No. 349**

The purpose of this measure is to allow the admission of character evidence showing the aggressiveness of the defendant if the court allows the admission of character evidence, offered by the defendant, showing the aggressiveness of the alleged victim.

Your Committee received testimony in support of this measure from several entities. Testimony in opposition was received from one organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is recommended for adoption by the Hawaii Supreme Court's Standing Committee on the Rules of Evidence. This measure would conform the Hawaii Rule of Evidence 404(a) to its federal counterpart, Federal Rule of Evidence 404(a), which received a similar amendment in 2000.

This measure makes clear that the accused cannot attack the alleged victim's character and yet remain shielded from the disclosure of equally relevant evidence concerning the same character trait of the accused. Commonly, in a homicide or assault case the defense asserts self defense. The question typically presented is whether the accused or the victim was the first aggressor. If the accused seizes the initiative under Rule 404(a)(2) and offers evidence of the violent character of the victim, then this amendment will allow the prosecution to offer similar evidence of the same character trait of the accused.

According to testimony of the State Attorney General, under this measure, judges still retain their discretion to determine whether particular evidence or testimony is admissible at trial. This measure does not open the doors to all evidence of aggressiveness. Nonetheless, your Committee has concerns about this measure as raised by the Office of the Public Defender concerning possible distraction of the jury away from the facts of the case and the chilling effect on the defendant's right to present evidence in his or her own defense.

Accordingly, your Committee has amended this measure by changing the effective date to July 1, 2075 to continue the discussions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 349, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 349, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Gabbard).

#### **SCRep. 1203      Ways and Means on H.B. No. 39**

The purpose of this measure is to add a \$5 surcharge to the fee charged by a state agency for certain services and require the deposit of the surcharge into the general fund.

Your Committee has amended the measure by replacing the contents of the measure with the provisions of a proposed Senate Draft 1 that was circulated. As amended, this measure addresses the budgetary shortfall by:

- (1) Repealing provisions that exclude certain special funds from assessments for central service and departmental administrative expenses, except the Hawaii hurricane relief fund, the convention center enterprise special fund, the tourism special fund, the state educational facilities improvement special fund, the health systems special fund, funds of the employees' retirement system, and the special funds of the University of Hawaii;
- (2) Providing for the temporary transfer into the general fund of interest earned on short-term investment or deposit of moneys of certain special funds, revolving funds, and special accounts; and
- (3) Transferring excess funds from various special and revolving funds to the general fund.

Testimony in support of the proposed draft was submitted by one state agency. Testimony in opposition was submitted by one state agency. One state agency and one organization submitted comments on the measure. Written testimony and comments may be reviewed on the Legislature's website.



Your Committee finds that the preparation of this measure is necessary before final deliberations begin with respect to balancing the state budget. The provisions contained in this measure warrant careful consideration for use to the extent necessary to provide efficient and effective state government during the next biennium.

Your Committee has further amended the measure by:

- (1) Allowing the disability and communication access board to set and charge a reasonable fee for its review of state and county building and facility plans and allowing the board to use the proceeds for board program expenses;
- (2) Appropriating \$1 from the Hawaii election campaign fund to the general fund; and
- (3) Providing an effective date for the measure of July 1, 2090.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 39, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 39, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1204 (Majority) Ways and Means on H.B. No. 1605**

The purpose of this measure is to establish the Hawaii tax review initiative to review the State's tax laws and determine whether the State's existing tax policies are relevant and effective in reaching the State's economic and social goals and objectives.

Your Committee has amended the measure by replacing its contents with a proposed senate draft, which was circulated prior to the public hearing that authorizes each county to implement a retail sales tax of up to an unspecified percentage on the sale of tangible personal property.

Testimony in support of the senate draft was submitted by one private organization, two private companies, and fifteen individuals. Testimony opposed to this measure was submitted by one government entity, one government organization, and two private organizations. Comments on this measure were submitted by one private organization. The written testimony and comments may be reviewed on the Legislature's website.

Your Committee finds that it is appropriate, as a matter of home rule, to allow the counties to establish an additional revenue source that applies broadly to all individuals. Accordingly, this measure provides the counties the taxing authority necessary to exercise greater self-sufficiency and to generate the revenue needed to provide vital programs and services.

Upon further consideration, your Committee has refined its amendments to this measure by:

- (1) Setting the maximum rate of the retail sales tax that may be implemented at one per cent on the sale of tangible personal property;
- (2) Providing an effective date of July 1, 2077, to encourage further discussion on the measure; and
- (3) Making technical amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1605, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1605, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1205 (Joint) Energy and Environment and Economic Development and Technology on H.B. No. 1272**

The purpose of this measure is to expand the exclusion to the term "manufacturer" under the Electronic Waste Recycling Act, chapter 339D, Hawaii Revised Statutes (chapter 339D), for certain computer manufacturers by deleting the requirement that the person manufacture specialized computers and be located in the State.

Comments to this measure were submitted by one individual. Testimony in opposition to the measure was submitted by one state department. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the intent of this measure is to make clarifying amendments to chapter 339D. However, even with the amendments to chapter 339D proposed in the measure as received, chapter 339D still contains deficiencies and makes enforcement challenging. For example, the measure as received will require the Department of Health to determine whether a manufacturer actually sells fewer than one hundred computers annually in the State. Your Committees find that further amendments are necessary to clarify chapter 339D's exemptions and applicability.

Additionally, your Committees note that certain other deficiencies in chapter 339D exist. For example, it is unclear whether consumers may be charged a fee for recycling. Your Committees find that a fee may discourage consumers from participating in recycling, leading them to dispose of covered electronic devices in our landfills. Another example is the lack of a deadline by which a manufacturer's recycling program must be implemented.

Accordingly, your Committees have amended this measure by:

- (1) Amending the definition of "manufacturer" under chapter 339D to delete the annual sales provision, so as to exempt manufacturers who manufacture no more than one hundred computers per year;

- (2) Prohibiting manufacturers from charging consumers a fee at the point of recycling to recycle electronic devices, unless the manufacturer or manufacturer's agent picks up the covered electronic device from the consumer's premises at the consumer's request and if the pick-up is not in conjunction with the delivery of a new electronic device to the consumer;
- (3) Requiring recycling programs to be fully implemented and operational by January 1, 2010;
- (4) Requiring manufacturers to be responsible for ensuring that they and their agents be responsible for following regulations when collecting, transporting, and recycling electronic devices and for adopting environmentally sound recycling programs; and
- (5) Changing the effective date from July 1, 2112 to July 1, 2009.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1272, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1272, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 4 (English, Hee, Hooser, Ige).

**SCRep. 1206 (Joint) Energy and Environment, Commerce and Consumer Protection and Judiciary and Government Operations on H.B. No. 1809**

The purpose of this measure is to establish a television recycling program.

Testimony in support of the measure was submitted by one private organization and two individuals. Testimony in support, with suggested amendments, was submitted by one private organization. Testimony supporting the intent of the measure, with suggested amendments, was submitted by one private organization. Testimony in opposition to the measure was submitted by one state department. Comments were submitted by one private organization. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that in 2008, the Legislature passed Act 13, Special Session Laws of Hawaii 2008 (Act 13), which created the Electronic Waste Recycling Program (chapter 339D, Hawaii Revised Statutes (chapter 339D)). Act 13 also established a working group within the Department of Health. The working group was tasked with developing a plan to establish a program for the collection, transportation, and recycling of televisions sold in the State. This measure is the product of this working group.

Your Committees find that the Legislature's commitment to recycling televisions has not wavered from 2008. This measure accomplishes needed recycling goals with a workable solution for the television manufacturing industry and the State.

Your Committees note that this measure is based upon chapter 339D and contains many similar or identical provisions. Additionally, this measure and chapter 339D cover similar recycling objects and both deposit funds into the electronic device recycling fund. As such, your Committees find that it is reasonable to amend this measure to make it a new part under chapter 339D.

Accordingly, your Committees have amended this measure by:

- (1) Amending the title of chapter 339D from the "Electronic Waste Recycling Act" to the "Electronic Waste and Television Recycling and Recovery Act";
- (2) Integrating the provisions of the measure into chapter 339D, including placing duplicative sections under separate parts common to both electronic devices and televisions;
- (3) Directing the Department of Health to deposit not only funds collected for penalties into the electronic device recycling fund, but also other television manufacturer registration fees, and allowing the Department of Health to use moneys in the fund for implementation and enforcement of the television recycling provisions;
- (4) Extending the enforcement provisions under this measure to electronic device manufacturers, retailers, and other persons, and leaving the applicable penalty amounts for violations unspecified;
- (5) Adding a section stipulating that implementation of this measure by January 1, 2011, shall satisfy the requirement for a separate plan for the collection, transportation, and recycling of televisions called for in Act 13;
- (6) Changing the effective date of the measure from July 1, 2020, to July 1, 2009; and
- (7) Making technical, nonsubstantive amendments for style and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1809, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1809, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Noes, none. Excused, 5 (Bunda, Green, Kokubun, Hemmings, Slom).

**SCRep. 1207 Judiciary and Government Operations on H.B. No. 1470**

The purpose of this measure is to exempt from the Hawaii Public Procurement Code procurements of goods, services, and construction from a source approved as the sole source by the federal government under a grant from the federal government in any procurement funded by state and federal matching funds or by federal funds alone.

Your Committee received testimony in support of and comments about this measure from government entities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has reviewed and heard several of the procurement measures and has consolidated them into this measure, as amended. Your Committee finds that the Hawaii Public Procurement Code needs to be updated. This amended measure is particularly important in anticipation of the State receiving federal economic stimulus grants that will be applied in large part to procurements. The State needs to move expediently in this regard.

Your Committee has amended this measure by:

- (1) Enacting a procurement exemption for GSA-approved sole source vendors;
- (2) Increasing the small purchases limit from \$50,000 to \$100,000 for goods and services and to \$250,000 for construction contracts;
- (3) Defining "Hawaii input" to clarify how products with materials derived from Hawaii may qualify for procurement preferences;
- (4) Defining "Hawaii component";
- (5) Clarifying the definition of "Hawaii products" and "products" qualifying for preferences;
- (6) Allowing for the self-certification for Hawaii products listings;
- (7) Amending the percentage by which a price or bid shall be decreased for Hawaii products;
- (8) Providing that a contract shall be voidable and subject to debarment or suspension for failure to adequately verify, deliver, or supply Hawaii products;
- (9) Establishing time limits on rendering decisions on applications for administrative and judicial review;
- (10) Requiring a dismissal of protests for inadvertent errors of less than a specified amount of the bid amount of competing bidder;
- (11) Clarifying procedures for administrative review;
- (12) Amending the notice requirements applicable to subcontract provisions permitting the withholding of a subcontractor's payment without incurring obligation to pay interest or a late payment penalty; and
- (13) Changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1470, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1470, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

#### **SCRep. 1208      Judiciary and Government Operations on H.B. No. 1512**

The purpose of this measure is to allow a family court judge to issue an ex parte temporary restraining order without notice to:

- (1) Grant exclusive care of a pet animal or equine animal to a party; and
- (2) Restrain the noncustodial party or person to be restrained from visiting, taking, concealing, threatening, physically abusing, or otherwise disposing of any pet animal or equine animal whose exclusive care has been granted to a protected party.

Your Committee received testimony in support of this measure from several entities and individuals. The Family Law Section of the Hawaii State Bar Association submitted testimony in opposition. Testimony submitted to the Committee may be viewed on the Legislature's website.

Your Committee finds that pet animals have become an object of contention between parties in situations involving domestic abuse. The intent of this measure is to ensure the safety of animals. The Hawaii State Bar Association's Family Law Section, however, testified that this measure as received could create problems that could actually hurt victims of domestic violence, and could be misused by the parties in contentious divorce cases.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the court may restrain both parties from taking, concealing, removing, threatening, physically abusing, or otherwise disposing of any pet animal or equine animal that is part of the family or in the household;
- (2) Changing the effective date to July 1, 2050 to continue consideration of the objections of the Hawaii State Bar Association's Family Law Section; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity and style, and to correct an erroneous statutory cross-reference.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1512, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1512, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1209 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 1351**

The purpose of this measure is to encourage owners of neighboring agricultural lands to enter into cooperative private agreements to reduce the shared costs of generating and transmitting electrical energy, cold water for refrigeration and cooling, and nonpotable water for irrigation.

Testimony in support of this measure was submitted by one county agency and two organizations. Testimony in opposition was submitted by one state agency and one organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that providing agricultural producers an opportunity to reduce the cost of production will support the sustainability of Hawaii's agricultural industry. The cost of electrical power would be reduced for pumping water for agricultural purposes, or for crop production and processing operations within an agricultural park, if electrical power generated within an agricultural park by independent power producers of renewable energy, like a windmill, could be transmitted across property boundaries within an agricultural park, without connecting to the general utility grid.

Your Committee has amended this measure by making changes to streamline the process of establishing a private agricultural park.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1351, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1351, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Takamine, Hemmings).

**SCRep. 1210 (Joint) Tourism and Ways and Means on H.B. No. 754**

The purpose of this measure is to improve the governance of the Hawaii Tourism Authority by removing ex-officio members from the Hawaii Tourism Authority Board and placing them in an advisory group to the Hawaii Tourism Authority.

Prior to decision making on this measure, your Committees circulated a proposed draft that, in addition to the removal of ex-officio members from the Hawaii Tourism Authority Board, does the following:

- (1) Expands the scope of a tourism emergency to include a regional or global economic crisis;
- (2) Transfers tourism-related functions from the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority; and
- (3) Earmarks an unspecified percentage of moneys allocated to the Tourism Special Fund from the Transient Accommodations Tax to be used for tourism product development and cultural programs.

Your Committees received testimony commenting on the proposed draft of this measure from the Hawaii Tourism Authority. Your Committees received testimony in opposition to the proposed draft of this measure from the Department of Business, Economic Development, and Tourism, the Tourism Liaison of the Department of Business, Economic Development, and Tourism, and the Department of Transportation. The Hawaii State Foundation on Culture and Arts submitted testimony in opposition to the measure as received by your Committees. The Hawaii Hotel and Lodging Association, Outrigger Enterprises Group, and Starwood Hotels and Resorts Worldwide, Inc. submitted testimony supporting the intent of the proposed measure but with concerns.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the difficult times currently being experienced by the State's major industry, tourism, may present an opportune time to undertake some administrative changes to streamline the operations of the Hawaii Tourism Authority. Changing the title of the Executive Director of the Authority to President and Chief Executive Officer, while cosmetic on its face, should instill a more business-like atmosphere in the boardroom of the Authority. Further, eliminating the "sunset" provision on the ability of the Authority to hire its own private attorneys should result in streamlining operations.

Your Committees have amended the proposed draft of the measure by:

- (1) Changing the definition of tourism emergency to include a "national or global economic crisis" rather than a "regional or global economic crisis";
- (2) Removing the phrase "regardless of when or where it occurs" from the definition of tourism emergency;
- (3) Making the establishment of an advisory group discretionary rather than mandatory, and authorizing the Authority to hold advisory group meetings on a monthly basis, or as deemed necessary by the Authority, that may be advised on suggested measures and programs by state agencies or departments that are members of the advisory group;
- (4) Inserting provisions that require the private contractor that operates the Convention Center, concessions, and concession spaces at the Convention Center to be subject to the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes;
- (5) Renaming the "executive director" of the Hawaii Tourism Authority to the "president and chief executive officer", and clarifying the duties of the position;
- (6) Removing the sunset date from certain provisions of Act 58, Session Laws of Hawaii 2004;
- (7) Changing the effective date to July 1, 2020; and

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

As affirmed by the records of votes of the members of your Committees on Tourism and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 754, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 11. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 1211 Ways and Means on H.B. No. 1364**

The purpose of this measure is to require the Governor or Director of Finance to submit a report to the Legislature for each restriction placed on any appropriation authorized by the Legislature.

Your Committee received one written comment from a state agency on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that many unprecedented events have converged to create an economic, financial, and fiscal environment that threatens the very foundation of our national economy. For state governments, the financial crisis and economic downturn have adversely affected tax revenues and operating budgets. The impact on Hawaii has been a severe reduction in projected general fund revenues for fiscal year 2008-2009 through fiscal biennium 2009-2011 by \$2.1 billion over the period of one year. Based on the Council on Revenues' March 2009 projections, the State is faced with a general fund revenue shortfall of \$430,500,000 in fiscal year 2008-2009 if corrective action is not taken.

Your Committee further finds that the federal American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, was enacted to help the states by providing federal funds to replace state general revenues for education and Medicaid. In addition, Title V, State Fiscal Relief, of the Recovery Act temporarily increases the federal medical assistance percentage that permits states to reduce their share of Medicaid costs.

The Recovery Act also temporarily increases federal support to states for energy initiatives, water systems development, unemployment insurance, vocational rehabilitation, transportation, social services, public housing, Native Hawaiian homesteads, support for elders, and education.

The federal Deficit Reduction Act of 2005 authorizes an enhanced level of federal Temporary Aid for Needy Families funding if a state qualifies, as Hawaii does, as a "needy state" in terms of high food stamp case loads. However, federal regulations require that the State appropriate the Temporary Aid for Needy Families funds before the federal funding can be used. The increased federal medical assistance percentage funding for Medicaid correspondingly reduces general fund costs thereby freeing some general funds in fiscal year 2008-2009 for use to address increased program requirements in the adult mental health - outpatient program and the Hawaii health systems corporation program.

Accordingly, your Committee has amended this measure by:

- (1) Funding various programs that are expected to receive funding during fiscal year 2008-2009 under the American Recovery and Reinvestment Act of 2009;
- (2) Reducing general fund appropriations for certain programs that receive offsetting federal funding;
- (3) Providing additional federal Temporary Assistance for Needy Families funds for fiscal year 2008-2009 under the federal Deficit Reduction Act of 2005;
- (4) Providing additional general funds for fiscal year 2008-2009 to the adult mental health outpatient program; and
- (5) Providing additional general funds for fiscal year 2008-2009 to the Hawaii Health Systems Corporation.

Your Committee finds that this measure is necessary to:

- (1) Promote openness and transparency in the use of federal Recovery Act funds for fiscal year 2008-2009;
- (2) Address the general fund revenue shortfall for fiscal year 2008-2009;
- (3) Authorize Temporary Aid for Needy Families funds for fiscal year 2008-2009 as required by federal regulations; and
- (4) Meet fiscal year 2008-2009 program requirements of the adult mental health - outpatient program and the Hawaii health systems corporation program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1364, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1364, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1212 Ways and Means on H.B. No. 1739**

The purpose of this measure is to prohibit taxpayers from claiming an income tax credit on grants received from the federal government.

Prior to hearing this measure, your Committee circulated a proposed Senate Draft No. 1 that replaced the substantive provisions of this measure with those of S.B. No. 973, S.D. 1 that was previously heard by your Committee.

The purpose of the proposed draft is to deter tax fraud and promote uniformity in the state tax system by conforming Hawaii tax law to the Internal Revenue Code with respect to regulating tax return preparers and adopting other accuracy-related federal provisions.

In addition, the proposed draft:

- (1) Defines the term "tax return preparer";
- (2) Provides for an expedited administrative appeals program;
- (3) Authorizes the Department of Taxation to undertake temporary rulemaking;
- (4) Makes documents submitted to a tax review board public information; and
- (5) Clarifies the burden of proof with respect to issues relating to false or fraudulent tax returns.

Your Committee received written testimony in support of the proposed draft of this measure from one government agency. Written testimony in opposition was received from forty-three private organizations and forty-two individuals. Your Committee also received written comments from one government agency and two private organizations. Written testimony and comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that tax preparers are not required to audit, examine, or review books, records, or other documents in order to independently verify information provided by taxpayers. However, if a tax preparer finds information provided by the taxpayer to be incorrect or incomplete, the tax preparer must make reasonable additional inquiries. This measure enables the Department of Taxation to hold a tax preparer accountable for understatements of liability based on an unreasonable position on a tax return. This accountability is critical in the wake of recent corporate fraud scandals.

Your Committee also finds that greater accountability is necessary with respect to abusive tax schemes, erroneous tax refund claims, and the collection and payment of withholding taxes. These tax violations result not only in substantial revenue losses for the State but in a greater tax burden for the law abiding, taxpaying public.

On further consideration, your Committee has amended the proposed draft by:

- (1) Clarifying the circumstances under which a tax preparer may be required to pay a fine for understatement of liability based on unreasonable positions in a tax return or claim for tax refund;
- (2) Clarifying that the penalty for underpayment due to substantial understatement of tax liability applies to the taxable year in which the understatement was made;
- (3) Changing the effective date to July 1, 2090, to facilitate further discussion; and
- (4) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1739, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1739, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1213 (Majority) Ways and Means on H.B. No. 1741**

The purpose of this measure is to temporarily suspend the distribution of a portion of the conveyance tax to the land conservation fund and reduce the portions transferred to the rental housing trust fund and natural area reserve fund.

Specifically, this measure changes the distribution of conveyance tax revenue beginning July 1, 2009, to June 30, 2015, by:

- (1) Suspending the allocation of conveyance tax paid into the land conservation fund;
- (2) Reducing the amount of conveyance tax distributions paid into the rental housing trust fund from thirty to fifteen per cent from; and
- (3) Reducing the amount of conveyance tax distributions paid into the natural area reserve fund from twenty-five to ten per cent.

Your Committee finds that during these tough economic times, allocating a greater share of conveyance tax resources to the general fund is necessary and fiscally prudent. Your Committee believes, however, that a temporary reduction in certain dispositions, rather than a permanent suspension, will ease the burden of programs that rely on conveyance tax revenue.

To determine the amount of the reduction, your Committee consulted with the Department of Land and Natural Resources which administers the Land Conservation Fund and the Natural Area Reserve Fund. Both funds receive proceeds from the conveyance tax. Based on the Department's recommendations, your Committee reduced the Funds' share of the conveyance tax proceeds to levels that will adequately provide for state conservation programs.

Your Committee also finds that the conveyance tax should be adjusted to reflect the rise in property values in the State by increasing rates accordingly. Increasing the conveyance tax on properties and second homes valued at over \$1,000,000 will provide the State with additional revenue on these high-value real property transactions. Your Committee believes that individuals who own high-value properties or second homes can manage these new rates.

Accordingly, your Committee has amended this measure by:

- (1) Temporarily reducing the distribution of conveyance tax revenue to each of the land conservation fund, rental housing trust fund, and natural area reserve fund by five percentage points, respectively, until June 30, 2012;

- (2) Increasing the conveyance tax on sales of property over \$1,000,000, to be imposed at rates of:
  - (A) Thirty cents per \$100 for properties valued between \$1,000,000 but less than \$2,000,000;
  - (B) Fifty cents per \$100 for properties valued between \$2,000,000 but less than \$4,000,000;
  - (C) Seventy cents per \$100 for properties valued between \$4,000,000 but less than \$6,000,000;
  - (D) Ninety cents per \$100 for properties valued between \$6,000,000 but less than \$10,000,000; and
  - (E) One hundred cents per \$100 for properties valued at or greater than \$10,000,000; and
- (3) Increasing the conveyance tax on sales of condominium or single family residences over \$1,000,000 that are ineligible for a county homeowner's exemption, such as second homes, to be imposed at rates of:
  - (A) Forty cents per \$100 for properties valued between \$1,000,000 but less than \$2,000,000;
  - (B) Sixty cents per \$100 for properties valued between \$2,000,000 but less than \$4,000,000;
  - (C) Eighty-five cents per \$100 for properties valued between \$4,000,000 but less than \$6,000,000;
  - (D) One hundred ten cents per \$100 for properties valued between \$6,000,000 but less than \$10,000,000; and
  - (E) One hundred twenty-five cents per \$100 for properties valued at or greater than \$10,000,000; and
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 3 (Tokuda, Tsutsui, Hemmings). Excused, none.

**SCRep. 1214      Judiciary and Government Operations on H.B. No. 730**

The purpose of this measure is to enact new elements to the offense of cruelty to animals by fighting dogs.

This measure repeals current provisions and enacts new provisions to address enforcement problems posed by current law. This measure would:

- (1) Establish that the offense occurs for entertainment or financial gain;
- (2) Specify elements of the offense and provide for a misdemeanor penalty; and
- (3) Define "dogfight" and "device".

Your Committee finds that under current law, an offender would need to be literally caught in the act of conducting a dogfight in order to be convicted, which is extremely rare due to the clandestine nature of the activity. Thus, even persons attending a dogfight as spectators face no penalties.

Your Committee further finds that the injuries inflicted and sustained by dogs participating in dogfights are severe and in many instances fatal.

Your Committee has amended this measure by:

- (1) Amending section 711-1109.3, Hawaii Revised Statutes, to provide for the offense of cruelty to animals by fighting dogs in the first degree;
- (2) Adding a new statutory section to provide for the offense of cruelty to animals by fighting dogs in the second degree to address dog fighting events;
- (3) Making conforming statutory amendments to sections 711-1109.1, 711-1109.2, and 711-1110.5, Hawaii Revised Statutes; and
- (4) Changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 730, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 730, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1215      Economic Development and Technology on H.B. No. 135**

The purpose of this measure is to designate the pulelehua, also known as the Kamehameha butterfly, as the official insect of the State.

Testimony in support of this measure was submitted by five students from Pearl Ridge Elementary School and one concerned individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Kamehameha butterfly is an insect that is native to the State and there is concern that the insect may become an endangered species. Your Committee also finds that naming the Kamehameha butterfly as the official insect of the State would be a fitting representation of the history, traditions, and culture of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 135, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1216 Economic Development and Technology on H.B. No. 274**

The purpose of this measure is to honor those individuals who perished during the attacks on the World Trade Center in New York City, the Pentagon, and United Airlines Flight 93 on September 11, 2001, by designating September 11<sup>th</sup> as "Patriot Day" in Hawaii.

This measure also acknowledges the bravery and heroism of those individuals who assisted in rescue efforts following the September 11th attacks.

Testimony in support of this measure was submitted by five concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the terrorist attacks on September 11, 2001, were one the deadliest and most damaging in the history of the United States. Your Committee also finds that designating September 11th as "Patriot Day" will help to provide a reminder of the sacrifices made by those who perished on September 11, 2001, and also the vigilance that is needed to combat terrorism.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 274, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Ige).

**SCRep. 1217 Judiciary and Government Operations on H.B. No. 293**

The purpose of this measure is to clarify the circumstances under which the appointment of a conservator is appropriate.

Specifically, this measure allows a court to appoint a conservator or make any other protective order in relation to the estate and affairs of an individual if the petition for a protective arrangement establishes, among other things that the individual is unable to manage property and business affairs effectively because of:

- (1) An impairment in the individual's ability to receive and evaluate information and make and communicate decisions; or
- (2) Another physical, mental, or health impairment.

Your Committee received testimony in support of this measure from the Judiciary-Uniform Probate Code and Probate Court Practices Committee.

This measure enables the court to provide a protective arrangement to a physically challenged individual who may be able to receive and evaluate information and make and communicate decisions but who, because of other impairments, would welcome and benefit from a protective arrangement.

Your Committee finds that this measure adds flexibility to the criteria for establishing the need for a protective arrangement, thus enhancing the court's ability to improve the conditions of those seeking and requiring protection, without impairing the rights of these individuals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 293, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Gabbard).

**SCRep. 1218 Judiciary and Government Operations on H.B. No. 294**

The purpose of this measure is to clarify the liability of the trust estate and the trustee when a third party brings an action against them.

This measure:

- (1) Provides that a trustee is not personally liable on contracts entered into in the trustee's fiduciary capacity unless the trustee fails to disclose the trustee's fiduciary status and identify the trust estate in the contract; and
- (2) Provides that a trustee is personally liable for all obligations arising out of the ownership or control of property under the trust estate or for torts committed in the course of administration of the trust estate only if the trustee is personally at fault.

Your Committee received testimony in support of this measure from two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.



This measure is a product of the Standing Committee on the Uniform Probate Code and Probate Court Practices of the Judiciary of the State of Hawaii (Probate Committee). The intent of this measure is to make the statute governing personal liability of a trustee to third parties more consistent with the Uniform Probate Code and the Hawaii law governing personal representatives of probate estates, as the role of a personal representative and a trustee in relation to third parties is functionally the same.

Current law provides that a trustee is personally liable on contracts entered into in the trustee's fiduciary capacity unless the contract provides otherwise. Consistent with the Uniform Probate Code and Hawaii law governing personal representatives of probate estates, this measure provides that a trustee is not personally liable on contracts unless the trustee fails to disclose the fiduciary status and identify the trust estate in the contract.

Additionally, current law provides that a trustee is personally liable for obligations arising from ownership or control of property of the trust estate. Consistent with the Uniform Probate Code and the Hawaii law governing personal representatives of probate estates, this measure provides that a trustee is personally liable to third parties only if the trustee is personally at fault.

Your Committee notes that this measure is not intended to affect a beneficiary's ability to pursue claims against a trustee for breach of fiduciary duty for damage arising during the administration of the trust.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 294, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Gabbard).

**SCRep. 1219      Judiciary and Government Operations on H.B. No. 1148**

The purpose of this measure is to amend the public agency meetings law by:

- (1) Adding a definition of "State calendar" for purposes of posting public notice;
- (2) Adding emergency meeting to the types of meetings for which the giving of written public notice is required;
- (3) Requiring that public notice of meetings be posted electronically on the State calendar, and requiring a county board to file the notice in the appropriate county clerk's office, and if notice cannot be posted on the State calendar because of an interruption in service that prevents its access, then filing the notice in the Office of Information Practices for posting on the State calendar as soon as service is restored; and
- (4) Clarifying the requirements for posting of an emergency agenda and findings for holding the emergency meeting.

Your Committee received testimony in support of this measure from government entities. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that by having board meeting notices made available on the Internet, the public would have greater accessibility to the information. This is especially important for our neighbor island residents who do not have physical access to meeting notices posted only on Oahu. This measure modernizes State functions in this area consistent with the intent and purpose of establishing the State's Internet Portal.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1148, H.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1220      (Joint/Majority) Ways and Means and Judiciary and Government Operations on H.B. No. 1260**

The purpose of this measure is to establish a state securitization account within the Department of Budget and Finance to receive excess non-general funds, meet the qualifications imposed on the State with respect to the issuance of general obligation bonds, and authorize its use to temporarily finance capital improvement projects.

Your Committees find that the current state, national, and global economic crises have necessitated major changes in the State's biennial budget. Because of these changes, your Committees find that a reorganization of certain parts of the executive branch of state government is necessary to reflect the provisions of the General Appropriations Act of 2009.

Accordingly, your Committees have amended this measure by deleting its contents and replacing it with provisions detailing a reorganization of certain parts of the executive branch of state government, as contained in a proposed senate draft that was circulated for consideration.

Testimony in support of the proposed senate draft was submitted by two state agencies and two public citizens. Testimony in opposition was submitted by seven state agencies, one county agency, and two organizations. Four representatives from one state agency, three state agencies, and three organizations submitted comments.

Specifically, this measure, as further amended:

- (1) Abolishes the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism and transfers the functions of four branches of the division to the Research Corporation of the University of Hawaii, and requires the Corporation to establish a self-sufficiency standard and cooperate with the United States Census Bureau;

- (2) Abolishes the Aloha Tower Development Corporation and transfers jurisdiction over and responsibility for the harbors modernization functions of the Aloha Tower Development Corporation to the harbors division of the Department of Transportation, and clarifies that the Department shall be the successor in interest to all assets and debts, liabilities, or other obligations incurred by the Corporation and that the Department is not exempt from the state procurement code with regard to projects concerning the harbors modernization plan;
- (3) Abolishes the Hawaii Occupational Safety and Health law, with the exception of the hoisting machine operators advisory board and the hoisting machine operators' certification revolving fund, effective on October 1, 2010;
- (4) Transfers the position of tourism liaison from the Department of Business, Economic Development, and Tourism to the Office of the Governor;
- (5) Transfers the Small Business Regulatory Review Board, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs;
- (6) Transfers the Land Use Commission, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
- (7) Transfers the High Technology Development Corporation and High Technology Innovation Corporation, with their statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
- (8) Transfers the Office of Planning, with its statutory duties and powers, including jurisdiction over the coastal zone management program, from the Department of Business, Economic Development, and Tourism to the Department of Land and Natural Resources;
- (9) Transfers the Natural Energy Laboratory of Hawaii Authority, with its statutory duties and powers, from the Department of Business, Economic Development, and Tourism to the University of Hawaii;
- (10) Transfers the Measurement Standards Program, with its statutory authority, from the Department of Agriculture to the Department of Commerce and Consumer Affairs;
- (11) Transfers the Arts and Culture Development Branch within the Department of Business, Economic Development, and Tourism to the State Foundation on Culture and the Arts, which is placed within the Department of Accounting and General Services for administrative purposes;
- (12) Transfers the Film Industry Branch within the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority;
- (13) Makes required conforming amendments to the Hawaii Revised Statutes;
- (14) Provides for the transition of various state agencies and programs that are transferred, including the transfer of rights, powers, functions, duties, officers, employees, records, equipment, and rules;
- (15) Clarifies that members of boards or other policy-making or advisory bodies transferred shall continue to serve the member's term without need for reappointment, except for members of the Board of the Aloha Tower Development Corporation and the High Technology Development Corporation;
- (16) Requires the Legislative Reference Bureau to review this measure to recommend appropriate placement of parts or chapters of the Hawaii Revised Statutes affected; and
- (17) Changes the effective date to July 1, 2090, to facilitate further discussion of the measure.

Your Committee finds that this measure, as amended, is necessary to allow the State to address the serious financial challenges ahead.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1260, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1260, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Ayes, 12. Ayes with Reservations, 3 (Chun Oakland, Fukunaga, Tokuda). Noes, 2 (Hemmings, Sлом). Excused, 4 (Bunda, English, Hee, Kokubun).

**SCRep. 1221 (Joint/Majority) Judiciary and Government Operations and Ways and Means on H.B. No. 1536**

The purpose of this measure is to freeze the annual salaries of the Governor, the Lieutenant Governor, the justices and judges of all state courts, the administrative director of the State or an equivalent position, and the department heads or executive officers and the deputies or assistants to the department heads or executive officers of the executive departments.

Your Committees received testimony in support of this measure from the Governor, one executive department, state house minority members, and one individual. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the current economic downturn and the resultant decline in general fund revenue necessitate that the heads of all branches of state government share in the sacrifice of salary adjustments.

The affected executive departments are the Department of Accounting and General Services; Agriculture; Budget and Finance; Business, Economic Development, and Tourism; Commerce and Consumer Affairs; Defense; Hawaiian Home Lands; Health; Human Resources Development; Human Services; Labor and Industrial Relations; Land and Natural Resources; Public Safety; Taxation;

Transportation; and the Attorney General. The salaries would be frozen beginning January 1, 2009 until June 30, 2011. On July 1, 2011, the salaries for the positions would be increased to the level they would have been on July 1, 2009, under the recommendations of the Commission on Salaries and in the absence of further salary freezes under this measure. The recommendations of the Commission on Salaries for salary increases for these positions effective on July 1, 2012, shall become effective on that date.

For the Legislature, until December 31, 2011, the annual salaries of members of the Legislature would remain the same as they were on January 1, 2009. On January 1, 2012, the salaries of the members of the Legislature would be increased to the level they would have been on January 1, 2012, under the recommendations of the Commission on Salaries and in the absence of the salary freeze under this Act. The recommendations of the Commission on Salaries for salary increases for the members of the Legislature effective January 1, 2013, and January 1, 2014, will become effective on those dates.

Your Committees have amended this measure by:

- (1) Changing a salary freeze to a salary reduction of five per cent off of what public executives and legislators were being paid on June 30, 2009, for a two-year period beginning July 1, 2009;
- (2) Tying vacation and sick leave to that which is negotiated and executed by the executive representative for collective bargaining unit (13) for that unit for a two-year period beginning July 1, 2009; and
- (3) Changing the effective date to June 30, 2050 to continue the discussions.

It is not the intent of your Committees that the amended measure affect the retirement benefits of those persons covered by this measure. Accrued retirement benefits should proceed without regard to the temporary salary adjustment under this measure.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1536, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1536, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.  
Ayes, 16. Noes, 1 (Hemmings). Excused, 1 (Bunda).

**SCRep. 1222      Judiciary and Government Operations on H.B. No. 128**

The purpose of this measure is to require the Office of Elections to develop a standard withdrawal and declaration of candidacy form to be used by candidates to withdraw as a candidate.

Your Committee deleted the contents of this measure and replaced it with a proposed Senate Draft 1 which would enact a new campaign finance and spending law to replace existing law. Your Committee finds that campaign spending laws are an integral part of the election process, and further finds that the subject matter falls within the title of this measure.

Your Committee received testimony on this measure from government entities, private organizations, and individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Chapter 11, Hawaii Revised Statutes, part XII, was enacted by Act 185, Session Laws of Hawaii 1973. Over the past thirty-five years, numerous amendments have been made to the campaign finance laws in a piecemeal fashion and, apparently, with little regard to the laws as a whole. The result is laws that are unorganized, difficult to read, and inconsistent in some areas. The current laws are codified in part XII, subpart B of chapter 11, Hawaii Revised Statutes.

The proposed measure is based on the work of the Campaign Spending Commission's blue ribbon recodification committee. The committee completed its work in 2008 after meeting regularly for nine months. The committee was comprised of the commission's staff and seventeen attorneys experienced in campaign finance law who represented various interests.

Your Committee has amended the proposed draft by:

- (1) Deleting the sections relating to declaration of policy and construction of laws;
- (2) Clarifying the definition of campaign funds to mean contributions, interest, rebates, refunds, loans, or advances;
- (3) Adding that certification as a candidate may be made by the chief election officer or county clerk;
- (4) Amending the definition of noncandidate committee with reference to production and dissemination of informational or educational communications to clarify that the dissemination is not made to influence the outcome of an election or question on a ballot;
- (5) Clarifying that campaign funds may be used to make donations to public libraries;
- (6) Requiring that loans from persons other than immediate family members that are not repaid within one year of the date of the loan shall be repaid in full from contributions subsequently received;
- (7) Requiring the electronic filing of all reports required to be filed with the Campaign Spending Commission;
- (8) Clarifying the certification requirements of filed reports by deleting references to a true and accurate statement of the committee's activity;
- (9) Requiring that a vacancy on the Campaign Spending Commission be filled by the appointment of one of two persons nominated by the Judicial Council;
- (10) Allowing the Campaign Spending Commission to assess fines, rather than requiring fines to be assessed;

- (11) Making various clarifying amendments to the public funding of campaigns law and committee reporting requirements; and
- (12) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 128, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 128, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Ayes with Reservations, 1 (Slom). Noes, none. Excused, none.

**SCRep. 1223 (Majority) Labor on H.B. No. 31**

The purpose of this measure is to designate as an unlawful discriminatory practice any employers' refusal to hire, barring or discharging from employment, or discrimination against any individual due to the individual's credit information; provided that the individual's credit information does not directly relate to an occupational qualification.

Testimony in support of this measure was submitted by four organizations and two individuals. Testimony in opposition to this measure was submitted by one state agency and three organizations. Comments were submitted by one federal agency and four organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure provides necessary protections for individuals against unlawful discriminatory hiring and employment practices. Your Committee further finds that this measure provides an exception to the protections in situations where an individual's credit information directly relates to an occupational qualification, and therefore balances discretion in hiring and management decisions for employers with protection for employees against unlawful discrimination. It is your Committee's intent not to shift the burden of proof of bona fide occupational qualification to the employee but to retain it with the employer. It is not the intent of the Committee to include lead employees, working foremen, and line supervisors in the scope of the supervisory exception.

Your Committee finds that additional provisions are necessary to specify conditions under which employers may inquire into or consider and under which employers shall not inquire into or consider credit information in making certain hiring or managerial decisions. Accordingly, your Committee has amended this measure by:

- (1) Requiring any inquiry into and consideration of a prospective employee's credit history or credit report to take place only after the prospective employee has received a conditional offer of employment;
- (2) Excluding the following from the prohibition against refusal to hire or employ, barring or terminating from employment, or otherwise discriminating on the basis of credit history:
  - (A) Employers who are expressly permitted or required to inquire into an individual's credit history for employment purposes pursuant to any federal or state law;
  - (B) Managerial or supervisory employees; and
  - (C) Employers that are financial institutions in which deposits are insured by a federal agency having jurisdiction over the financial institution; and
- (3) Amending the effective date to July 1, 2050 for the purpose of encouraging further discussion.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 31, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 31, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Bunda, Hee).

**SCRep. 1224 (Majority) Ways and Means on H.B. No. 200**

The purpose of this measure is to appropriate funds for the operating and capital improvements budget of the Executive Branch for FY2010 and FY2011.

One government agency submitted testimony in support of the measure. Three government agencies, one organization, and three individuals from government agencies submitted testimony in opposition. Four government agencies, six organizations, and two individuals from government agencies and a third individual submitted comments. Written testimony and comments presented to the Committee may be reviewed on the Legislature's website.

### INTRODUCTION

This measure represents another major step in the process to refine the State's response to the global economic downturn. This measure is by far the largest component of the State's expenditure plan and was crafted to tighten up general fund spending while continuing to respond to our diverse community's needs and priorities. Contained herein is the spending authorization required for the operation of the public school, university, and public health systems; programs that make up the social safety net; programs that help to support various sectors of the economy; and other programs that support the governance of our society as required by our State Constitution. Regrettably, given the current economic condition, many difficult choices were made in developing this budget. In many cases, your Committee was unable to restore cuts made by the Governor to core programs or was forced to make additional cuts in less-core areas. Despite the difficulty of making these decisions, your Committee has approached this task as an opportunity to refocus and streamline state government where possible.

Your Committee appreciates the efforts of all those who have provided input regarding the budget, including the Department Directors who testified at the pre-session briefings, the state employees who fielded hundreds of questions from legislators and staff, and the thousands of engaged citizens who shared with us their thoughts and concerns.

### ECONOMIC OUTLOOK

#### National Economic Outlook

As of April 2009, the National Economic Outlook remains uncertain.

Signs of the gravity of the current economic contraction became clear more than a year ago, when investors began to question the value of real estate assets held by Bear Sterns Companies, Inc. The problem began as individuals who could not afford home ownership were awarded mortgage loans known as subprime loans. Lenders who made such loans resold them to other institutional players, such as Fannie Mae, the Federal National Mortgage Association.

Specifically, the first landmark of our current economic contraction was the moment when investors determined that the credit default swaps that Bear Sterns was relying on to protect it from exposure to subprime loans were, in fact, worthless. Investors began to inspect the balance sheets of banks and other financial intermediaries and question the real value of mortgages on all commercial and residential property, which were stated as assets on the balance sheets. When investors concluded that the book value of these assets exceeded the market value, the selling, and thus the economic contraction, began. Lehman Brothers Holdings, Inc. collapsed on September 15, 2008; and American International Group (AIG), which sold the credit default swaps that pay off if the mortgages enter default, became the subject of an ongoing "bailout."

When the banking system was called into question, the banks, having nothing to lend, cut the supply of credit, thus jeopardizing all businesses, which generally run on credit for one accounting period.

The selling of bank stocks became a general sell-off which sent the Dow Jones Industrial Average to 7450 in late November of 2008. The story continues to unfold even to this day in April 2009. Bank of America, JPMorgan Chase, Wells Fargo, and all financial institutions are among the companies with "underperform" ratings.

Despite the pervasiveness of the calamity, welcome signs of a recovery are emerging. Some economists say that a number of indicators appear to have bottomed out in recent months. Job losses may have peaked in January. Home sales are starting to pick up. Stocks are enjoying a limited rally. And because the economy has experienced such a steep decline in the current downturn, some economists are hopeful the recovery ahead will be much stronger than the modest gains that came about after the end of the previous two recessions.

While there may be movement towards recovery, many economists still think that the current recession will not end until much later this year, if not 2010. However, many of these forecasts were made before the nearly \$800 billion stimulus package that was enacted earlier this year began to have an effect. Some economists argue, based on more recent forecasts, that the stimulus plan could create stronger than expected growth, and much sooner than the consensus forecasts.

#### The Economic Outlook for Hawaii

The economic contraction has found its way to our islands. In February of 2009, the occupancy rate for Hawaii hotels was at its lowest rate since 1991, and total visitor expenditures fell 15.9 per cent, according to the Department of Business, Economic Development, and Tourism. Oahu experienced the smallest part of the occupancy rate decline, and the island of Hawaii experienced the largest.

Our island economy continues to be impacted by the loss of ATA and Aloha Airlines, two cruise ships, Hawaii Superferry, and the closure of Molokai Ranch. As of April of 2009, Hilo Hattie, a local clothing favorite, lost \$4.6 million in its first five months in a Chapter 11 bankruptcy reorganization filed on October 2, 2008. Construction slowed dramatically in 2009, which resulted in additional job losses. The State's unemployment rate is not expected to peak until the fourth quarter of 2009.

Oil prices, the housing market, and U.S. credit remain wild-card factors that could have long-lasting impacts on the Hawaii economy. Your Committee finds that, as of April of 2009, the Economic Outlook for Hawaii is uncertain.

### GENERAL FUND REVENUE OUTLOOK

By statute, the Council on Revenues (COR) reports its latest tax revenue forecast to the Governor and the Legislature on June 1, September 10, January 10, and March 15 of each year. The revenues come primarily from the general excise tax and the state income tax. Since the March 2008 forecast, the COR has each time reduced its prediction of tax revenues for the coming fiscal years. From March 2008 to October 2008, the COR general fund tax revenue projection through the upcoming biennium dropped by \$1.341 billion.

The Governor based her original Biennium Budget Request on the October 2008 COR projection. In early January 2009, soon after the Governor's budget was finalized and submitted to the Legislature, the COR revised its forecast downward; the projection was reduced by \$637 million through the coming biennium. Thus, from the COR March 2008 projection to the January 2009 projection, general fund revenues had declined by nearly \$2 billion.

The House of Representatives then had the unenviable task of crafting its draft of the budget, which needed to balance to the COR's January forecast. The House accomplished this, in part, by controlling expenditures through eliminating programs and filled and vacant positions, cutting into the base budget, and transferring general fund expenses to non-general funds.

On March 12, 2009, the COR tax revenue outlook was again downgraded by \$262 million over the biennium (down \$92.8 million in the current year, \$115.8 million in FY2010 and \$53.4 million in FY2011). Then in mid-March, the Senate Committee on Ways and Means began in earnest the equally, if not more, unenviable task of crafting an even slimmer budget to balance with the new revenue projection.

### BUDGET OVERVIEW

Never before has the State of Hawaii faced a declining revenue picture approaching the magnitude of that currently confronting the 25th Legislature. In fact, the \$2 billion shortfall through the biennium budget as projected at the start of this legislative session seemed to have left many in various states of denial. While considerable budget reductions are a necessary component of a balanced financial plan, they are just one factor in aligning the State's expenditures and revenues.

In an effort to close the budget shortfall, the Governor attempted to reduce each department's discretionary budget by 20 per cent. The factors that determined the amounts deemed discretionary are still not entirely clear, and many departments did not meet the target reduction. Nonetheless, reductions resulting from this exercise and other adjustments made by the Governor resulted in a net decrease of operating costs of \$209 million for FY2010 and \$186 million for FY2011. Accounting for previously authorized collective bargaining amounts and other fixed cost adjustments resulted in the Governor's Fiscal Biennium 2009-2011 executive budget request of \$5.361 billion for the first fiscal year, and \$5.464 billion the second.

The State House of Representatives, setting forth to further close the budget gap, reduced the Governor's proposed budget by \$236 million for FY2010 and \$171 million for FY2011. These additional reductions came with a high price; the House draft of the executive budget would result in the elimination of 374 positions, currently filled by state workers, and the abolishment of a number of state programs.

Subsequent to the introduction of the House draft, the Governor adjusted the biennium budget request. These adjustments included reductions to account for the use of such funds as the Emergency and Budget Reserve Fund and American Recovery and Reinvestment Act of 2009 (ARRA) stimulus funds. This, along with other adjustments, lowered the net executive budget request by \$190 million and \$69 million for FY2010 and FY2011, respectively.

Aware of the harm further reduction to the budget could cause to the State's ability to deliver vital services to the public, and of the potential for long-term disarray within State agencies that could arise, your Committee set out to reduce the Governor's proposed budget in areas it believes to be least detrimental to core and direct services. Your Committee achieved a net reduction to the Governor's proposed budget as adjusted for Governor's Message items of \$58 million in FY2010 and \$83 million in FY2011. Reductions were generally attained by:

- Moving operating expenses from general funds to non-general funds where appropriate;
- Reducing programs that are currently of limited value or are of great expense for the benefits derived;
- Reducing positions that, with some exception, were vacant for one year or longer; and
- Reducing a limited number of exempt positions that are not needed for the State to carry out its necessary functions.

**DEPARTMENT HIGHLIGHTS**

Human Services

Especially in these times, your Committee finds it important to support the Department of Human Services in its effort to provide services to those most in need. The Governor imposed a number of adjustments on this department's budget that would result in the loss of important services to the State's most vulnerable citizens.

Of particular note is the Governor's elimination of Adult Dental Services for Medicaid eligible adults. The program provides for those that could not otherwise afford services such as exams, cleanings, and benefits for dentures. An enhanced Federal Medical Assistance Percentage (FMAP) made available through the ARRA allows your Committee to restore the entire program with the provision of \$2.6 million for FY2010 and \$3.1 million for FY2011.

The enhanced FMAP rate under ARRA also allows your Committee to provide the same level of support for Medicaid eligible services while providing for significant general fund savings. While the Governor proposes removing \$182 million in general funds over the biennium from the program as a result of the enhanced rate, your Committee reduces just \$154 million in general funds to assist the program with a shortfall that would result in untimely payments to service providers.

Highlights of your Committee's biennium appropriations from the State general fund include \$433 million and \$541 million for FY2010 and, respectively, in the MedQuest Program; \$25.5 million in both fiscal years for Cash Support for Families-Self-Sufficiency; \$15 million in both fiscal years for Case Management for Self-Sufficiency, and \$19 million in both fiscal years for Cash Support for Child Care, which help to maintain the State's claim to an annual federal TANF block grant.

Your Committee reduced job acquisition training expenses in the Office of Community Services (OCS). These reductions have yielded a savings of \$1.8 million in each year of the fiscal biennium. Your Committee believes the existing supply of trained labor may exceed the demands of employers in the State through the upcoming biennium and that the training component of the OCS is not a core function of the department.

Your Committee remains concerned with the structure under which federal Temporary Assistance for Needy Families (TANF) funds are spent. Your Committee has allocated these funds as follows:

• Cash Assistance-TANF Purpose 1	\$44,000,000
• Work Training and Support Services-TANF Purpose 2	\$23,000,000
• Child Welfare Services Purchases of Services	\$ 3,000,000
• ENHANCED Healthy Start	\$ 4,000,000
• "UPLINK" after school Program	\$ 3,000,000
• TANF transfer to Child Care Development Fund	\$19,800,000

• TANF transfer to Social	\$ 9,890,000
• Services Block Grant Information Systems Development and Enhancements	\$ 5,000,000
• Administration	\$ 9,500,000

Your Committee's TANF spending plan allows nearly \$10 million more dollars than the Governor's plan to be carried forward at the close of each fiscal year as part of the TANF Reserve Account, remaining available to the State should the current economic contraction persist.

#### Hawaii Health Systems Corporation and Kahuku Hospital

Your Committee affirms its support and commitment to providing the resources necessary to help Hawaii Health Systems Corporation (HHSC) maintain its current level of services. HHSC is essential, as it serves as a public safety net to many residents and visitors of our island communities and counties, especially those of the neighbor islands. To assist HHSC regions in meeting their cash flow needs, your Committee provided an additional general fund subsidy of \$30 million for each year of the fiscal biennium, to be expended to the extent possible for Medicaid eligible services.

Your Committee is concerned with the management, both fiscally and operationally, of the HHSC regions. Thus, your Committee created a new program, HHSC Regions (Health 212), to increase transparency and accountability. In addition, your Committee provided \$500,000 of general funds to allow for a comprehensive review and evaluation of HHSC corporate and its regions.

#### Health

Your Committee is dedicated to protecting the health and well-being of people in Hawaii and ensuring basic health care to all. This is especially challenging, given the growing need for health care in the face of economic hardship. It is vital that health care be available and accessible to everyone. To meet this need, your Committee increased funding to critical services that were either reduced or eliminated in the Governor's budget.

Community health care centers serve as the safety net for individuals who otherwise could not receive vital health care. Health care centers are already experiencing an increase in the number of individuals seeking services; this demand is expected to grow. To ensure that all residents are able to receive medical care, your Committee increased funding to community health care centers throughout the State to a total of \$6,591,526 in each fiscal year.

Your Committee is also concerned that the downturn in the economy imposes untold stress on individuals and families. To address this concern, your Committee restored funding for the following program and services that were eliminated by the Governor. Funding for these services will come from special funds.

- Partnership in Community Living to provide last-resort support for families of developmentally disabled individuals who are not eligible for Medicaid: \$700,000.
- Healthy Start to prevent child abuse and promote positive parent-child relationships: \$3 million.
- Respite care to provide temporary relief to families that have ongoing caregiving responsibilities for family members with developmental or mental disabilities: \$412,024.

The ARRA provides stimulus funds in the amount of \$87,759,247 for FY2010 and \$15,240,740 for FY2011. This infusion of funding will have a significant impact on the following programs and services:

- Enhanced FMAP reimbursements will reduce the need of the following general fund expenditures:
  - ❖ Developmental Disabilities: \$14,473,221 in FY2010 and \$4,975,266 in FY2011;
  - ❖ Adult Mental Health: \$2,531,764 in FY2010 and \$870,310 in FY2011;
  - ❖ Child and Adolescent Mental Health: \$3,042,537 in FY2010 and \$1,045,893 in FY2011.
- Early Intervention to ensure compliance with the federal Individuals with Disabilities Education Act, Part C: \$2,139,843 in FY2011.
- Emergency Medical Services to improve communication between ambulances and hospitals; and to implement a statewide telecommunication system for critical patient information: \$11 million in FY2010 and \$7,865,000 in FY2011.
- Environmental Management to provide grants for drinking water and wastewater infrastructure improvements, diesel emissions reductions for school buses, regulatory oversight of underground storage tanks, and technical expertise for water quality standards: \$53,505,883 in FY2010.

Your Committee finds that the reorganization plan proposed by the Department of Health does not deliver any cost savings or efficiencies for the program or services. The reorganization may have a negative impact on clients and staff, disrupt the delivery of services, and incur additional costs.

Your Committee diligently strove to work with the department; however, it is unfortunate that the department chose not to assist in identifying less core services and possible areas for reduction. It must also be noted that your Committee has made its best effort in developing this budget without pertinent information from the department, particularly the itemized operating biennium budget for FB2009-2011.

#### Public Education

Your Committee recognizes the importance of providing a quality education to our children, to ensure their ability to thrive in the global society of today and tomorrow. Preserving school-level funding, particularly funds to be distributed via the Weighted Student Formula, is a top priority of your Committee. Unfortunately, your Committee was not able to restore the \$40 million in non-Weighted Student Formula program cuts that were included in the Governor's budget and accepted by the Board of Education.

Hawaii is fortunate to be receiving federal stimulus dollars to support education and other state programs in the upcoming biennium. Your Committee is pleased to have the ability to appropriate stimulus dollars for the following educational programs: \$19.8 million for Title I and Educational Technology in FY2010; \$20 million for IDEA Part B & IDEA Part B Preschool funds in FY2010; and \$116,000 for the McKinney Vento Homeless Assistance Program in FY2010.

However, your Committee respectfully disagrees with the Governor's initial plan regarding the timing of the use of a large portion of federal stimulus funds intended for education stabilization. In the interest of insulating the school system from much of the impact of the budget shortfall, your Committee has provided \$56.6 million in stimulus dollars for education in each year of the biennium. These funds will be distributed between public schools and charter schools based on the latest enrollment projection available to your Committee. By contrast, the Governor has proposed to immediately use \$90 million of the \$113 million in the federal stabilization funds intended to go to lower education, in an effort to balance the state budget in the current fiscal year.

The receipt of federal stimulus dollars has provided your Committee with an opportunity to make adjustments to the charter schools' FY2010 and FY2011 budget allocations in order to accurately reflect the amounts prescribed by section 302B-12, Hawaii Revised Statutes. Charters will be able to make the \$5.3 million corrective reduction of general funds without substantial impact to delivery of services because their budget will be largely offset with the addition of funds for collective bargaining and \$2.8 million in federal stabilization funds. The net reduction to the charter school budget will be less than \$1 million, which represents a year-to-year reduction of less than two per cent.

Your Committee has struggled this session to make informed and equitable decisions regarding charter school funding because of the limited information charter schools made available. Charters currently enjoy an extremely flexible operating environment, which was provided to enhance program creativity and resourcefulness, with the goal of creating better outcomes for students. However, as a publicly-funded entity, charter schools must provide transparency and ensure that public funds are properly used. Your Committee requests that charter schools provide a budget that reflects all fiscal resources anticipated to be available to the schools for the next year; report on the consistency of procurement practices with the guidelines in Chapter 302B, Hawaii Revised Statutes; and account for all exemptions to normal employee compensation levels. Your Committee also requests that all charter schools work with the Charter Schools Administrative Office annually to provide the Legislature full and accurate financial information to enhance future decision making processes.

Your Committee made no further reductions to the budget of the Hawaii State Public Library System. Use of the library system has increased during the current recession and the system would not be able to withstand additional cuts without decreasing security or closing branches.

Additionally, your Committee is transferring the fixed costs of debt service, health premiums, and retirement benefits from the department's budget to the Department of Budget and Finance and is transferring risk management costs to the Department of Accounting and General Services. The budgeting of these items with the department has no perceivable benefit and creates unneeded bureaucracy and confusion regarding the proportionate level of funding provided the department.

#### Higher Education

The University of Hawaii System is the State's only public institution for higher learning and plays a critical role in building a strong foundation for Hawaii's future. While budget reductions for most state agencies are unavoidable, the University is fortunate to have significant non-general fund revenues and access to federal stimulus funds.

Your Committee accepted the 20 per cent discretionary target reduction scenario approved by the Board of Regents, which amounts to an additional reduction of \$17.1 million in general funds each fiscal year. Your Committee further reduced \$15.4 million each fiscal year, which will be offset by an anticipated \$25 million increase per year in tuition and fees revenue based on built-in annual tuition increases. The addition of ARRA education stabilization funds will also reduce the impact of these adjustments.

The university system is now experiencing record-high enrollment as people seek additional training to increase their job prospects. The greatest increase is at the community college level, where enrollment has increased by 9.4 per cent. As such, your Committee sought to maintain support for the Community Colleges by providing enough ARRA education stabilization funds to offset nearly all of the \$8 million in general funds reduced from their budget. In total, the University of Hawaii will receive \$54 million in ARRA education stabilization funds over the course of the biennium.

#### Public Safety

Your Committee notes that Hawaii continues to struggle with the persistent growth of the inmate population. The traditional solution to prison overcrowding is to build additional facilities or expand existing ones. Since it is unlikely that any new facilities will be built in the near future, your Committee recognizes the need for interim measures.

The current administration's primary strategy for reducing overcrowding has been to transfer inmates out of the State. However, with a total of 2,298 inmates (2,093 male and 205 female) housed in out-of-state facilities, and the escalating costs associated with those inmates, your Committee finds it necessary to support programs that help reduce the number of inmates in Hawaii's corrections system. Your Committee provided \$565,677 for FY2010 and \$540,733 for FY2011 to establish a pilot program on Oahu that electronically monitors committed persons who are permitted to live and work in the community in lieu of continued incarceration.

Prior delays in transferring inmates to out-of-state facilities have resulted in the accumulation of \$7.7 million that is in excess of the department's need for contracted bed space. Your Committee has identified this amount as a one-time general fund savings in FY2010 that can be reduced with no impact to the department's operations.



Your Committee reviewed operations of the Sheriff Division and made the following adjustments:

- Reduced five vacant positions and funds for the Airport Unit to bring position count to the number required under the memorandum of understanding with the Department of Transportation Airports Division.
- Reduced four general funded positions and re-allocated resources to establish three additional warrant teams.

Your Committee continues to be concerned by excessive overtime expenditures and the reported abuse of sick leave benefits by employees. Overtime expenditures for FY2008 totaled \$9.8 million, which is 31.7 per cent above the budgeted amount of \$7.5 million. Your Committee reduced funds for overtime by 25 per cent of FY2008 actual expenditures or \$2.5 in general funds. Your Committee established a protocol fund that will be used to encourage employees to reduce sick leave abuse and the need for overtime.

#### Land and Natural Resources

Your Committee believes that protecting Hawaii's natural resources and preserving its unique endemic species should remain priorities, even in difficult financial times. Hawaii's resources are constantly being threatened by alien plant and animal pests and by public overuse. To prevent further degradation of these resources, your Committee has restored \$100,000 for invasive species support that was reduced in the Governor's budget. To protect the State's aquatic resources, your Committee has restored \$47,500 for coastal stock enhancement and \$90,000 for Anuenue Fisheries Research Center.

The department identified public safety and park operations as its top priorities, and accordingly, your Committee has restored, through the use of special funds, funding for lifeguard services at Kaena Point State Park and Keawaula beach that were reduced in the Governor's proposed budget.

#### Agriculture

Your Committee recognizes the importance of agriculture to Hawaii's economy, both as an exportable commodity and as a means to allow the State to become less dependent on imported food products. As such, your Committee has taken steps to ensure that the department continues to conserve, develop, and utilize the agricultural resources of the State. Your Committee has given high priority to preventing the introduction and establishment of pests in the State.

Act 9, Special Session Laws of Hawaii 2007, established a user fee for the inspection of sea and air containers bound for Hawaii that may be carrying pests. Your Committee has provided \$6 million in special funds to conduct harbor inspection programs and early detection and rapid response activities for invasive species. These funds will allow the department to retain almost all plant quarantine inspector positions proposed for reduction by the Governor.

Your Committee has eliminated the detector dog program that has proven to be of limited value and has transferred the Measurements Standards Branch to the Department of Commerce and Consumer Affairs. The transfer of Measurements Standards will ease the administrative burden on the Department of Agriculture, create a general fund savings, and place the branch in a department with more appropriately aligned functions.

#### Business, Economic Development, and Tourism

Your Committee realizes the importance of Hawaii's existing businesses as drivers of Hawaii's economy. Your Committee has found that the Department of Business, Economic Development, and Tourism (DBEDT) has lost sight of its core functions and is unable to effectively manage the department's mission. With that in mind, your Committee created general fund savings, efficiencies, and transparency by transferring programs within DBEDT to more appropriate departments that share common missions and objectives. This will allow DBEDT to focus on its core functions and responsibilities.

Your Committee has made the following transfers of DBEDT programs:

- The Small Business Regulatory Review Board to the Department of Commerce and Consumer Affairs (DCCA);
- The Statewide Land Use Commission and Office of Statewide Planning and Coordination to the Department of Land and Natural Resources;
- Natural Energy Laboratory of Hawaii Authority, High Technology Development Corporation, and Research and Economic Analysis to the University of Hawaii;
- Creative Industries Arts and Culture Branch to the State Foundation on Culture and Arts; and
- Film Industry Branch to the Hawaii Tourism Authority (HTA). HTA's expertise in marketing and existing relationships will allow the Film Industry Branch to flourish and become more of an economic driver and marketing tool for the State.

Your Committee understands that the modernization of our state harbors needs to be a priority. Aloha Tower Development Corporation (ATDC) remains entangled in litigation and has not completed any projects related to the Harbors Modernization Plan. Your Committee finds ATDC unable to effectively lead the Harbors Modernization Plan and carry out the functions for which it was created; consequently, your Committee restored the responsibility of improving harbors to the Department of Transportation, Harbors Division.

Hawaii currently relies on imported oil for over 93 per cent of its energy needs. Over the years, the Legislature has provided substantial resources for the Clean Energy Initiative, under the guidance of DBEDT, for the purpose of promoting energy independence for the State. With funding from the ARRA, DBEDT will have the opportunity to become more energy independent. Your Committee created a general fund savings of \$875,283 while retaining existing staff and creating new positions with the use of \$6.2 million in existing federal funds and \$30 million in new stimulus money. This will allow the department to focus on creating clear objectives with specific performance measures and goals.

#### Labor and Industrial Relations

With the exception of the elevators and boiler safety section, your Committee has reduced funding for the Hawaii Occupational Safety and Health Division (HIOSH) starting in FY2011. Your Committee made the proposal so the return to federal OSHA jurisdiction could be further discussed. Relinquishing jurisdiction of the program would result in releasing the State from the burden of administering the program and possibly returning the program to a higher level of effectiveness seen when the program was under past federal jurisdiction.

#### Transportation

Your Committee has become increasingly concerned with the department's financial plan with respect to deficit spending of its special funds. Accordingly, your Committee reduced spending through a \$5 million prorated reduction across all programs within the Harbors division and a \$10 million prorated reduction across all programs within the Highways division. These reductions will allow the divisions' expenditures to better align with existing and future revenue projections.

Your Committee is also concerned with certain aspects of the Airports Division. Thus, your Committee requests that the State Auditor perform a financial audit of the Department of Transportation regarding its accounting procedures, procurement practices, controls over lease renewals and renegotiations, ability to monitor and collect outstanding receivables, and means of accurately charging fees.

#### Budget and Finance

Your Committee provides for the consolidation in the department of fixed costs for debt service, retirement benefits, and health premium costs chargeable to the University of Hawaii and the Department of Education. This consolidation is achieved by cost accounting in three of the department's existing program areas. Your Committee has ensured by proviso that the costs separately chargeable to the University of Hawaii and the Department of Education are clearly stated.

The Administration proposed to execute Act 177, Session Laws of Hawaii 2007, providing for the Public Utility Commission (PUC) reorganization by increasing staff and appropriating a large amount of funds for the relocation to new office space on Oahu. However, your Committee finds that there are no suitable facilities available to house the PUC at this time. Consequently, your Committee does not appropriate funds for any PUC reorganization at this time.

#### Accounting and General Services

Your Committee improves efficiencies by transferring \$9.2 million of funds earmarked for the State's insurance premiums from the University of Hawaii and the Department of Education to the department to reduce unnecessary delays. To generate general fund savings, your Committee changed the means of financing for \$3.5 million of insurance premiums from general funds to state risk management revolving funds.

Your Committee understands the State's fundamental obligation to conduct state and federal elections and recognizes the need for new voting equipment. For the Office of Elections, your Committee reduced general funds by \$229,248 and provides \$925,000 for the voting system contract and purchase of voting equipment for FY2010, a non-election year. Funding for FY2011 remains unchanged from the Governor's proposed budget.

Your Committee recognizes the plight of maintaining historic sites and museums. Based on the passage of S.B. No. 602 relating to the Arts, your Committee restored a subsidy of \$418,000 to the Bishop Museum and provided \$250,000 for the Iolani Palace, both through non-general funding.

#### Attorney General

Your Committee recognizes the importance of the department in its role as legal counsel for the State of Hawaii. Your Committee made an effort to reduce the department's budget in areas that would have limited impact on services to state agencies and the general public.

Your Committee provided the department with \$6 million in federal funds over the biennium for the Crime Assistance Grant, the Byrne Memorial Justice Assistance Grant, the Violence Against Women Grant, and the Internet Crimes Against Children Grant. Your Committee also provided \$4.5 million in federal stimulus funds over the biennium for the Child Support Enforcement Agency.

### **CAPITAL IMPROVEMENT PROGRAM**

Your Committee finds that well-maintained physical infrastructure and state facilities are essential to maintaining a positive business climate and a strong economic foundation, which will ultimately help to support the State's ability to navigate through the current, and any future, precarious economic conditions. Your Committee further finds that to combat the effects of the current recession and experience positive growth, the continued investment in our economy, by various means, is necessary. Investment in infrastructure and facilities is crucial for short-term economic growth and job creation. However, additional and increased investment in education, technology, communications, health care facilities, energy and environment, and other needs must also be examined to ensure sustained long-term economic recovery and growth for our State and its residents.

Your Committee finds that the need to invest in local infrastructure to help stimulate direct and indirect job creation is highly critical at this time when the State is experiencing its highest unemployment rate in thirty years. Fortunately, this type of investment is also a high priority of the federal government. Expediency in the creation and maintenance of local construction jobs, as well jobs for architects, engineers, and other consultants associated with capital projects, will generate more disposable income, which will in turn circulate throughout our economy.

Accordingly, the Administration's capital improvement program biennium budget, as amended pursuant to Governor's Messages, provided a total of \$955,155,000 for projects funded by general obligation (G.O.) bonds and general obligation reimbursable (G.O.R.) bonds and \$3,192,112,000 for all projects funded by all means of financing. Similarly, your Committee, after carefully considering the current economy along with the proposals, needs, and priorities of the Administration and the departments, has provided a total of \$939,787,000 for projects funded by G.O. and G.O.R. bonds and \$3,453,431,000 for projects funded by all means of financing.

However, your Committee, mindful of the Administration's proposed debt service level and the volatile bond market conditions that at present continue to curtail bond issuance plans, has followed a different approach than that of the Administration in formulating its capital improvement program biennium budget. First, your Committee has reevaluated the funding for prior appropriated Executive Budget projects and, as a result, has lapsed funding for several projects in the amount of \$45,553,719. These lapses represent unrequired balances for completed projects, funds for which the Administration has denied allotment for various reasons, funds that the departments have indicated are otherwise unnecessary, insufficient, or for projects that are unlikely to be undertaken within the necessary timeframe to avoid standard lapsing, and funds that do not demonstrate the current priorities of the State.

Next, your Committee crafted a biennium budget that includes projects that are essential to assist in achieving short-term economic stimulation, as well as projects that will help to stabilize the infrastructure to accommodate for long-term growth. This budget aggressively focuses on funding both crucial and significant capital projects that can be undertaken immediately in FY2010. This approach not only concentrates on the merits of the proposed FY2010 funded projects, but, more importantly, also provides increased funding for several projects. Your Committee believes that front-loading funding for the biennium in FY2010 will provide an immediate infusion of funds for shovel-ready projects. This approach will empower departments and agencies with the ability and greater flexibility, as such funds will not lapse for three years, to address their current needs and requirements expeditiously. Although also providing for certain fixed capital improvement projects and costs for FY2011, your Committee's decision to primarily concentrate on FY2010 funding mirrors the federal government's initiative in demonstrating its commitment to stimulating the economy and funneling money to departments and programs throughout the State as quickly as possible.

Accordingly, your Committee believes that increased funding in the first year of the biennium will allow the State to:

- (1) Address many critical health, safety, and code requirements;
- (2) Reduce current repair and maintenance backlogs throughout several departments;
- (3) Provide jobs for unemployed and underemployed residents; and
- (4) Provide the framework for growth and expansion of services, programs, and facilities.

Additionally, prior to fully funding the capital investment needs of the State for FY2011, the Legislature will have had the opportunity to monitor and reassess the economic conditions; the needs and priorities of the State, Administration, and departments; the ability of the departments to utilize the funds previously appropriated; and the adequacy and capacity of the workforce to deliver necessary services. Your Committee believes that this approach will aid the Legislature in formulating a more comprehensive and responsive capital improvements program budget for FY2011.

A continuing concern for the State is to ensure that our keiki are properly educated and employable, which will contribute to the State's long-term economic viability. Investment in our public schools, at all levels, is necessary to help improve, expand, and grow new programs and facilities. However, the continuing need to address the existing and growing backlog of repair and maintenance projects within the Department of Education and the University of Hawaii System is critical. Your Committee has demonstrated its ongoing commitment to reducing and ultimately eliminating these repair and maintenance backlogs over the next three to seven years by appropriating, for FY2010, \$155,000,000 for repair and maintenance projects of the Department of Education and \$107,000,000 for capital renewal and deferred maintenance projects of the University of Hawaii System. These commitments represent increases of \$110,800,000 and \$45,575,000 above the Administration's budget proposals for FY2010 for repair and maintenance projects of the Department of Education and the University of Hawaii System, respectively.

In the past, despite efforts to provide increased funding to the Department of Education to address the repair and maintenance backlog, the Administration has limited the Department's ability to utilize funds by failing to release the necessary funds to demonstrate progress. However, in light of the depressed economy and the Administration's commitment to stimulating the local economy through its Five-Point Plan, which highlights "investing in improvements to our infrastructure and state facilities" and the creation of jobs, as evinced through the Administration's \$1.8 billion capital improvement plan, your Committee is confident that the funds will be released and projects completed. At any rate, under your Committee's proposal, the Legislature will be able to revisit the issue and adjust funding levels accordingly for FY2010 and FY2011 during the next regular session. Additionally, as previously mentioned, because the funds will not lapse for three years, the potential remains for all FY2010 projects to move forward.

Another area of great import to the State is the goal of developing sustainable and renewable energy strategies and initiatives to increase energy efficiency and reduce energy consumption. Your Committee is supportive of energy efficiency improvements, which will ultimately lead to costs savings and reducing the State's carbon footprint. Consequently, the budget provides \$19,049,000 for conservation and energy efficiency measures of the Department of Accounting and General Services for FY2010, to be delivered through the use of Energy Savings Performance Contracting; \$5,340,000 for FY2010 and FY2011 for energy savings improvements and renewable energy projects of the Department of Defense; \$3,088,000 for FY2010 for energy efficiency improvements projects at Department of Health facilities; and \$2,000,000 for FY2010 and FY2011 for energy efficiency and conservation improvements at state parks facilities under the Department of Land and Natural Resources.

Additionally, your Committee has provided critical funding for the following:

- (1) Hawaii Health Systems Corporation:
  - (A) \$20,222,000 in FY2010 for repair and maintenance projects of the Hawaii Health Systems Corporation, an amount that represents more than twice the amount proposed by the Administration; and
  - (B) \$35,031,000 for FY2010 and FY2011 for renovation and expansion projects at hospitals within the Hawaii Health Systems Corporation;
- (2) \$70,597,000 for FY2010 and FY2011 for repairs and improvements to Aloha Stadium to ensure safe conditions for spectators, players, participants, and workers and to allow the facility to maintain and attract sports and other entertainment events;

- (3) \$7,913,000 for FY2010 for nonroutine repair and maintenance projects of the Hawaii Public Housing Authority to repair and improve affordable public housing facilities throughout the State;
- (4) \$16,526,000 for FY2010 for grants-in-aid to nonprofit organizations for facilities improvements and expansion. Such assistance is vital, as these nonprofit organizations continue to provide additional services to our residents, in light of the fact that the State may be forced to reduce services due to the current economic climate; and
- (5) Various projects within the Department of Transportation, Department of Defense, Department of Agriculture, Department of Health, and the University of Hawaii, among others, to ensure that matching federal, private, and other funds contributions may be maximized and not lost or forfeited.

Finally, the biennium budget provides funding for various other capital projects that your Committee believes should be included at this time, but that may warrant further discussion as the budget is further refined during the remainder of session to meet the evolving needs and priorities of the State.

#### **LARGER FISCAL CONTEXT OF THE BUDGET**

Clearly, a budget is made up of both planned expenditures and planned revenues. While this measure represents the vast majority of planned state expenditures, the funding levels contained in this measure are contingent on other measures that have been passed by your Committee. These measures look to spread the cost of public services to segments of the community that may be in a better position to absorb the impact of the adjustment.

##### Increases to Income Taxes for High Wage Earners

Your Committee finds that Hawaii's current tax structure is regressive, with lower and middle income taxpayers shouldering the major portion of the tax burden. Generally, those who are more able to pay have a disproportionately greater interest in maintaining societal goods typically supported by taxation such as security of property rights and maintenance of infrastructure, since they have much more to lose if these fail than do the poor.

Also, economic demand can be stimulated by reducing the tax burden on lower income individuals, which encourages greater consumption, and raising the burden on higher income individuals, which encourages greater productivity.

While there have been many studies and proposals suggesting ways to shift the burden to those who can afford to pay more, little has been accomplished. Therefore, your Committee has passed House Bill No. 1747, H.D. 1, S.D. 1, Relating to Taxation, which increases the number of tax brackets and raises the tax rates on the high-income brackets.

##### State Retention of Transient Accommodations Tax (TAT) Collections

During these tough economic times, the legislature needs to balance the needs of the counties against the State's programs and expenses that are supported by the general fund. It must be remembered that this direct tax allocation to the counties is really a windfall, given the counties' plea for complete control of the real property tax at the 1978 Constitutional Convention. At that time, the counties contended that if they could have complete control over the real property tax, they would be able to raise the revenues they needed. However, even after getting the real property tax, the counties continued to seek state financial support in the early 1980s, requesting grants-in-aid or other taxing powers. In the late 1980s, the Legislature did take some of the TAT funds to make a one-time grant to the counties, and later, when the TAT was earmarked for the convention center, lawmakers earmarked a fixed percentage of TAT collections for each county. In these difficult times, your Committee recognizes that county governments have not experienced the tremendous decline in revenues experienced by state government. Therefore, your Committee passed H.B. No. 1744, H.D. 1, S.D. 1, Relating to the Transient Accommodations Tax, to suspend the TAT distributions to the counties while providing counties, the authority to implement a TAT surcharge up to five per cent.

The funding provided to the State by this measure allowed your Committee to reallocate resources to programs that benefit and serve residents and visitors alike. As an example, the \$30 million general fund subsidy to the HHSC regional systems allows its facilities to continue serving its communities, a majority being rural communities on the neighbor islands, at the same levels of service and to work on important initiatives to expand needed services.

Over the years, the counties shifted more and more of the real property tax burden onto nonresidential classes of property. This created the illusion for residential owners that more programs could be provided without raising property taxes on residential property. Now that the nonresidential properties have been tapped out, counties have the option to go back to homeowners and ask for increases in their property taxes if they want to keep receiving the same level of county services. Therefore, your Committee has passed H.B. No. 1605, H.D. 1, S.D. 1, Relating to Taxation, to empower the counties to implement a one per cent sales tax on retail purchases.

##### Tightening up on Tax Credits

Hawaii's tax laws contain special tax credits and exemptions that were enacted to promote various social or economic goals. In general, basic principles of public finance dictate that tax rates should be as uniform as possible to minimize the distortions that taxes create in the economy. It is therefore prudent to evaluate credits and exemptions from time to time and to tighten up these vehicles to ensure that they are working as intended. Therefore, your Committee passed H.B. No. 611, H.D. 1, S.D. 1, Relating to Taxation, to temporarily suspend the capital goods excise tax credit and H.B. No. 1451, H.D. 1, S.D. 2, Relating to Taxation, to reexamine the high technology tax credits.

##### Increased Taxes on Tobacco Products

Increasing the tax on tobacco products other than cigarettes is timely. The current tax of 40 per cent of the wholesale price was established in 1965 and has never been increased. Other states have much higher rates ranging from 65 per cent (Oregon) to as high as 90 per cent (Massachusetts).

Increasing the tax on such products will also provide funding to address increasing health care costs and, given the current economic downturn, ensure the sustainability of community health centers and tobacco control programs.

As experienced in other states that have implemented similar increases, the increased tax will also deter the use of such products, especially by Hawaii's youth, and provide revenues to support tobacco prevention programs. Therefore, your Committee passed H.B. No. 895, Relating to Tax on Tobacco Products Other Than Cigarettes, to increase the tax in three steps, from 40 per cent to 90 per cent by 2011.

#### Transfer of Excess Balances to the General Fund

Another tool available to help balance the budget is a transfer of non-required cash balances to the general fund. This is an option that the Governor exercised with the proposed transfer from the Beverage Container Deposit and the Wireless 911 special funds. Your Committee agrees with the reasonableness of redirecting non-required cash balances to help meet needs. Your Committee has passed H.B. No. 39, H.D. 2, S.D. 1, Relating to State Revenues, to draw an additional \$40 million in the Governor's financial plan in the current fiscal year (FY2009) and \$40 million in FY2010.

### CONCLUSION

As your Committee looks to the upcoming conference phase of the session, we remain cognizant that, despite the differences in perspective held by the House of Representative and the Governor, only a truly collaborative effort will move the State through these difficult times while minimizing detrimental short- and long-term impact to the lives of Hawaii citizens. Your Committee on Ways and Means looks forward to working with both our legislative counterparts and the Executive Branch to find the most responsible and honest resolution to address the economic reality and produce a balanced State biennium budget.

In total, this budget amounts to \$5,113,810,721 in general funds and \$10,702,431,958 in all means of financing for FY2010 and \$5,311,995,243 in general funds and \$10,472,422,383 in all means of financing for FY2011. These figures represent an adjustment to the Governor's requested budget of \$57,506,986 in general funds and \$928,429,227 in all means of financing in FY2010 and \$82,737,865 in general funds and \$978,334,127 in all means of financing for FY2011.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 200, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

#### **SCRep. 1225      Ways and Means on H.B. No. 1600**

The purpose of this measure is to exempt from the general excise tax, amounts received by a common paymaster to pay employees of two or more related businesses, on behalf of the related businesses, where the applicable relationship is defined under Section 267(b) of the Internal Revenue Code.

Testimony in support of this measure was submitted by one private company and three individuals. One state agency and two organizations submitted comments.

Your Committee finds that many family and closely held businesses are made up of several companies, with one company handling the staffing and overhead expenses for the other related income producing companies. Your Committee also finds that, although these businesses are related, the amendments to section 237-24.7, Hawaii Revised Statutes, would still result in these staffing and overhead expenses being subject to the general excise tax.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that amounts received by one related person from another related person also include "other administrative and overhead expenses";
- (2) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure; and
- (3) Making a technical amendment to correct a statutory cross reference.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1600, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1600, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

#### **SCRep. 1226      Ways and Means on H.B. No. 1404**

The purpose of this measure is to repeal the sunset date on the general excise tax exemption on moneys paid by a timeshare association to a hotel operator for employee wages, salaries, payroll taxes, insurance premiums, and benefits.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Act 239, Session Laws of Hawaii 2007, provided timeshare associations, as defined in section 514E-1, Hawaii Revised Statutes, an exemption from the general excise tax imposed by chapter 237, Hawaii Revised Statutes, the same as extended to other hotel owners, on the payment of moneys to a hotel operator for employee wages, salaries, payroll taxes, insurance premiums, and benefits, including retirement, vacation, sick pay, and health benefits. However, this exemption for timeshare associations was to sunset on December 31,

2009. Your Committee finds that, in all fairness, timeshare associations should be afforded the same exemption that is provided for other hotel owners for moneys paid to a hotel operator for various employee expenses.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1404, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1227 Commerce and Consumer Protection on H.B. No. 267**

The purpose of this measure is to exempt a lessee of a rental motor vehicle from the proof of ownership and other requirements applicable to the interisland shipping of vehicles.

Your Committee received testimony in support of this measure from Catrala-Hawaii and Young Brothers. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will ease the documentation requirements for transport of rental vehicles among the islands by regulated water carriers. Your Committee notes that this measure eases the burden on rental car companies by allowing them to streamline documentation requirements through negotiation with carriers. Your Committee finds that this measure will ease the interisland shipment of rental vehicles while still maintaining safeguards against the shipment of stolen vehicles.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 267, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1228 Commerce and Consumer Protection on H.B. No. 1362**

The purpose of this measure is to require licensure for individuals offering genetic counseling services in order to protect the public health, safety, and welfare, to protect consumers of genetic counseling, and to assure the availability of high quality genetic counseling services.

Your Committee received testimony in support of this measure from Kapiolani Medical Center and four private citizens. Testimony in opposition to this measure was received from the Department of Health. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that genetic counselors are uniquely trained allied health professionals who provide services including assessment for risk of genetic disease and psychosocial support for patients who are at-risk of or carriers of genetic disease. The use of genetic information in applied medicine is very recent, and the field has expanded rapidly since the completion of the Human Genome Project in 2003. The rapid advances in both scientific understanding of human genetics and biomedical techniques often present a challenge to practicing health care providers in maintaining up-to-date knowledge. Your Committee finds that licensure of genetic counselors will allow the State to enforce high standards for training, ethics, and continuing education among practitioners.

Your Committee further finds that the Department of Health's Genetics Program is an established entity with years of experience in clinical genetics service provision, genetics policy development, and public health genetics. Especially considering the small number of genetic counselors currently practicing in Hawaii, the licensing and oversight of genetic counselors fits seamlessly into the Department of Health Genetics Program's current responsibilities.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2011; provided that section -3(2) and section -16 of the new chapter established by section 2 of the measure shall take effect upon approval; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1362, 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. 1362, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1229 Commerce and Consumer Protection on H.B. No. 814**

The purpose of this measure is to clarify the renewal requirements for a license as a nurse aide by:

- (1) Specifying the renewal period; and
- (2) Specifying the number of continuing education hours required annually.

Your Committee received testimony in support of this measure from the Department of Human Services, the Filipino Nurses' Organization of Hawaii, the Adult Foster Home Association of the Big Island, Hawaii Coalition of CareGivers, United Group of Care Home Operators, and eighty-eight private citizens. Testimony with comments was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that nurse aides are an important part of a health care team in both acute and long-term care settings. Your Committee further finds that this measure will help to improve the quality of health care that is available in this State. By requiring

recertification and continuing education for nurse aides, this measure will encourage high standards and help assure effective patient care.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 814, 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. 814, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1230 Commerce and Consumer Protection on H.B. No. 1270**

The purpose of this measure is to de-link the rate for non-fossil fuel generated energy from the price of fossil fuels.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Energy Policy Forum, Hawaiian Electric Company, Sun Power Systems Corporation, Alexander & Baldwin, Dowling Company, Inc., Blue Planet Foundation, and the Sierra Club, Hawaii Chapter. Testimony with comments on this measure was received from the Public Utilities Commission and the Department of Business, Economic Development, and Tourism. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will encourage renewable energy development in this State by stimulating demand for renewable energy through lowering its cost. Your Committee further finds that this measure will assist the State in achieving its goal of increased energy self-sufficiency.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purpose of clarity and accuracy in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1270, 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. 1270, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1231 Commerce and Consumer Protection on H.B. No. 1378**

The purpose of this measure is to increase access to health care by:

- (1) Recognizing advanced practice registered nurses as participating primary health care providers for insurance purposes;
- (2) Authorizing advanced practice registered nurses to sign documents relating to health care for their patients;
- (3) Clarifying educational and other requirements for advanced practice registered nurses; and
- (4) Clarifying advanced practice registered nurses' authority with regard to prescriptions for drugs, medical equipment, and therapeutic regimes.

Your Committee received testimony in support of this measure from the Department of Human Services, University of Hawaii, the Board of Nursing, the American Academy of Nurse Practitioners, Hawaii Association of Professional Nurses, Hawai'i Primary Care Association, Healthcare Association of Hawaii, Kaiser Permanente, Ka'u Hospital, Lanai Women's Center, Hawaii Government Employees Association, Occupational Therapy Association of Hawaii, AARP Hawaii, Walgreens, and twenty-four private citizens. Testimony with comments on this measure was received from the Department of Public Safety, Hawaii Medical Board, and the Disability and Communication Access Board. Testimony in opposition to this measure was received from Hawaii Medical Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure will improve access to health care, especially in rural areas where there is a shortage of doctors. Your Committee further finds that advanced practice registered nurses are important members of the primary health care team and have expertise in both the science of medicine and the art of patient care.

Your Committee notes that it has worked in conjunction with insurers, health plans, the nursing school, the Center for Nursing, and the Board of Nursing to address the concerns raised by stakeholders regarding this measure. Further, your Committee has endeavored to advance this measure in a form that does not require any further technical changes in order to allow the House of Representatives to agree, if it is so inclined, to this measure in its current form and to avoid the need to appoint a conference committee.

Your Committee has amended this measure by:

- (1) Clarifying that prescriptive authority does not include the authority to request, receive, or sign for professional controlled substance samples;
- (2) Adding a definition of "advanced practice registered nurse with prescriptive authority" to section 329-1, Hawaii Revised Statutes;
- (3) Amending the definition of "practitioner" in section 329-1, Hawaii Revised Statutes, to include an advanced practice registered nurse with prescriptive authority licensed and registered under section 329-32, Hawaii Revised Statutes;
- (4) Clarifying in section 329-121, Hawaii Revised Statutes, that "physician" excludes an advanced practice registered nurse with prescriptive authority under section 457-8.6, Hawaii Revised Statutes; and

- (5) Making technical, nonsubstantive amendments for the purpose of clarity and accuracy in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, 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. 1378, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1232 Commerce and Consumer Protection on H.B. No. 1696**

The purpose of this measure is to improve the operations of the motor vehicle rental industry by:

- (1) Replacing statutory references to “collision damage waiver” with “damage waiver”;
- (2) Amending damage waiver and motor vehicle law notice requirements;
- (3) Amending the allowable procedure for calculating damages assessed against a lessee of a motor vehicle;
- (4) Repealing data collection and reporting requirements for lessors of motor vehicles.

Your Committee received testimony in support of this measure from Catrala-Hawaii, Enterprise Rent-A-Car Company of Hawaii, and Vanguard Car Rental USA, dba National Car Rental and Alamo Rent A Car. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee notes the concern voiced in testimony by the Department of Commerce and Consumer Affairs that this measure will increase the amount paid by a consumer for damage to a rental vehicle that is subject to a damage waiver. However, your Committee also notes that, in accordance with past legislative practice, only provisions included in a measure as finally passed by a chamber of the Legislature may be considered in conference committee. To that end, your Committee encourages the interested parties to continue to work together in order to reach an agreeable solution for the final version of this measure.

Your Committee has amended this measure by:

- (1) Prohibiting a lessor from charging a lessee more than the cost of parts and labor for repairing a motor vehicle that is determined to no longer be in rentable condition and prohibiting the lessor from subsequently renting or leasing that vehicle;
- (2) Prohibiting a lessor from recovering any amount for damages to a motor vehicle from a lessee that the lessor has also recovered from a third party;
- (3) Reinstating a lessor’s obligation to collect and maintain data related to damage waivers and repairs and adding a requirement to provide that information to the Department of Commerce and Consumer affairs upon request; and
- (4) Deferring its effective date to July 1, 2050 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1696, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1696, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1233 Judiciary and Government Operations on H.B. No. 618**

The purpose of this measure is to enact the Uniform Prudent Management of Institutional Funds Act to accommodate contemporary investment and expenditure practices in the management of funds intended to finance charitable purposes.

This measure allows public and private sector entities to respond to changing market conditions and industry practices in the management of funds designated for charitable purposes. This measure will facilitate efficient management and allow fund managers to maximize the return on their investments while protecting the interests of fund donors and beneficiaries.

Your Committee has amended this measure by:

- (1) Deleting the definition of “activity and use limitations”, as this term is not used in the measure, and inserting a definition of “charitable purpose” on the recommendation of the Attorney General; and
- (2) Correcting references to federal statutes, on the recommendation of the Commission to Promote Uniform Legislation.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 618, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 618, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1234 Judiciary and Government Operations on H.B. No. 869**

The purpose of this measure is to clarify the responsibility of an owner of a rental motor vehicle for a summons or citation issued to a lessee of the vehicle.



Under current law, if a default judgment on a summons or citation is entered against a lessee of a rental motor vehicle, the owner or lessor of the rental motor vehicle will be responsible for the summons or citation if the owner or lessor does not either provide the court with the lessee's name and address or have the court waive the requirement to provide this information, within forty-five days.

This measure amends the current law to:

- (1) Clarify the court's responsibility to mail a copy of the summons or citation to the lessor or owner of the rental motor vehicle within sixty days of its issuance; and
- (2) Afford the lessor or owner of the rental motor vehicle 60 days, rather than forty-five days, to provide the lessee's name and address to the court or to have the court waive the requirement to provide that information.

On the one hand, your Committee understands that the Judiciary is currently clearing a backlog of unresolved summons and citations and as a consequence U-drive companies have been receiving citations for which their lessees are responsible, dating back to 2006 and 2007. These companies have found it difficult to provide the courts with a timely response to these summons and citations since finding the names and addresses for responsible lessees is often difficult, given the passage of time. Furthermore, U-drive companies have reported that in some cases they have been contacted about summons and citations for which they have not received any notice from the court.

On the other hand, your Committee also understands that extending the time for the lessor or owner to respond on the summons or citation to the court, as proposed in this measure, may give rise to other problems, including delays in the processing of these cases, a negative impact on the collections process, and additional manual work processes and paperwork for the Judiciary staff.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2075, to continue discussions of this matter; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 869, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 869, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1235      Judiciary and Government Operations on H.B. No. 1040**

The purpose of this measure is to make permanent Act 170, Session Laws of Hawaii 2002 (Act 170), relating to county liability for lifeguard services, and Act 82, Session Laws of Hawaii 2003 (Act 82), relating to public land liability.

Your Committee acknowledges the importance of the liability protections afforded by Act 170 and Act 82. However, your Committee finds that caution dictates that the sunset date of Act 170 and Act 82 should be extended rather than made permanent at this time.

Your Committee has amended this measure by:

- (1) Extending the sunset date of Act 170 and Act 82 for three years, i.e., until June 30, 2013; and
- (2) Changing the effective date to July 1, 2050, to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1040, 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. 1040, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1236      Judiciary and Government Operations on H.B. No. 1417**

The purpose of this measure is to prohibit the placement of paid, third-party advertisements on vehicles and trailers.

Your Committee finds that the current law allows advertisers to place signs and advertisements on vehicles when these same signs and advertisements would be prohibited if they were posted anywhere else, such as on a building or along the roadside. These vehicles function as billboards when they are driven or parked on the side of the road. Your Committee notes that this measure does not apply to vehicles or trailers that display advertisements for the business for which the vehicle or trailer is actually used.

Your Committee has amended this measure by:

- (1) Clarifying that it does not apply to vehicles, including trolley vehicles, that are used in the day-to-day operations of a business if the advertising on the vehicle:
  - (A) Relates only to that business; and
  - (B) Is directly limited to and directly related to an engaged passenger vehicle service route or contracted customer service business, including scheduled special events and parades;
- (2) Changing the effective date to July 1, 2075, to continue the discussions in this matter; and
- (3) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1417, 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. 1417, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1237 (Majority) Judiciary and Government Operations on H.B. No. 1642**

The purpose of this measure is to clarify that any organization that is awarded a contract through state procurement laws and the request for proposal process is not entitled to receive more money, in any form, than the amount of the bid.

This measure also requires bidders to be properly licensed in the State to conduct the business being sought by the request for proposals, unless the business being sought is not required by the State to be licensed.

Your Committee finds that procurement laws regarding request for proposal procedures for the purchase of health and human services need to be clarified in order to make the process more equitable amongst all bidders for health and human services contracts.

Your Committee has amended this measure by:

- (1) Clarifying that the amount of the proposal shall not exceed the amount to be expended by the State, which addresses the situation where the provider may not meet the requirements under the contract and a lesser amount is warranted; and
- (2) Changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642, 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. 1642, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, none.

**SCRep. 1238 (Majority) Judiciary and Government Operations on H.B. No. 643**

The purpose of this measure is to allow the Contractors Licensing Board to revoke, suspend, or refuse to renew the license of a contractor who knowingly employs individuals who are ineligible for employment in the United States on public works contracts.

Your Committee finds that while federal law regulates eligibility criteria for foreign workers in the United States, the states retain a role in regulating state contracting and labor issues.

Your Committee believes that companies who are hiring illegal workers in this State to do public works projects are taking gainful employment away from our local workers who are struggling to keep food on their families' tables, pay their bills, and keep their homes. The March 6, 2009 report of the University of Hawaii Economic Research Organization states, in relevant part:

The global credit crisis and deepening recession have materially worsened prospects for the Hawai'i construction industry. Commercial and resort building are in retreat, hampered by a bleak national outlook and financing constraints. The residential construction downturn will continue as income and wealth losses undermine housing demand. We now expect a deeper adjustment in the local real estate market, although somewhat milder than past Hawai'i experience and much less severe than the steep contractions in some mainland regions. Government spending initiatives may provide substantial support for the industry in the medium term, but they will provide very little stimulus over the next two years.

Your Committee has amended this measure by changing the effective date to July 1, 2075 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 643, 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. 643, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, none.

**SCRep. 1239 Judiciary and Government Operations on H.B. No. 1422**

The purpose of this measure is to allow the counties to remove abandoned motor vehicles from private roads, if the vehicle is inoperable and the owner or co-owner of a private road requests in writing to the appropriate county authority for the removal of the vehicle.

This measure also requires the owner of the private road to pay the county for the costs of removal of the vehicle and to agree to indemnify and hold harmless the county for the removal and disposal of the vehicle.

Your Committee finds that abandoned vehicles are littering the private roads and need to be removed. Current law does not provide for removal of abandoned vehicles on private roads. Some of these abandoned vehicles pose a public health hazard with leeching battery acids and transmission fluids. This measure provides a workable solution for both private road owners and the counties, while promoting the public health, safety, and welfare.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussions on this matter, and repealing the measure on June 30, 2052.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1422, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1422, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1240      Judiciary and Government Operations on H.B. No. 1414**

The purpose of this measure is to make permanent the prohibition against stealing beer kegs and the documentation requirements for scrap metal dealers contained in Act 53, Session Laws of Hawaii 2008.

This measure also makes permanent the offense of theft of copper, the documentation requirements for the sale of copper to scrap metal dealers, and related penalties contained in Act 197, Session Laws of Hawaii 2007.

Pursuant to Acts 53 and 197, the statutory provisions relating to the theft of beer kegs and copper will sunset on July 1, 2009. Your Committee finds that the prohibitions, record-keeping requirements, and penalties contained in the current law have proven effective at deterring the theft of beer kegs and copper, and accordingly, these provisions should be made permanent.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1414, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1241      Judiciary and Government Operations on H.B. No. 1031**

The purpose of this measure is to improve Hawaii's antitrust laws by specifying that the State and its political subdivisions or agencies may directly bring a civil action to enforce laws on unfair methods of competition and unfair or deceptive practices, and to clarify the venue for such actions.

In 2007, a claim asserted on behalf of state agencies as indirect purchasers was dismissed with prejudice by a federal district court in California because section 480-14(b), Hawaii Revised Statutes, did not expressly authorize suits on behalf of indirect purchasers who were state government entities. This measure addresses that deficiency.

Your Committee has amended this measure on the recommendation of the Attorney General by inserting commas in place of parentheses in a parenthetical reference to federal law.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1031, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1031, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1242      Judiciary and Government Operations on H.B. No. 615**

The purpose of this measure is to:

- (1) Amend the offense of harassment to include the repeated making of any form of electronic communication as defined by existing law; and
- (2) Clarify the definition of "nonconsensual contact" under the offense of harassment by stalking to include contact by means of any form of electronic communication as defined by existing law.

The intent of your Committee is to prevent individuals from being harassed by those using innovative forms of technology by extending the chapter 711, Hawaii Revised Statutes, harassment offenses to include any form of digital communication, including the ability to make a nonconsensual contact through any form of electronic communication in the offense of harassment by stalking.

Your Committee finds that harassing or insulting electronic communications are a form of harassment that can be just as severe or punishing as other verbal communications or offensive contacts. Your Committee also finds that including contact by electronic communication in the criminal offense of harassment by stalking will provide a means for those victims that are targeted to seek justice.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 615, 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. 615, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1243      Judiciary and Government Operations on H.B. No. 271**

The purpose of this measure is to enact the Uniform Real Property Electronic Recording Act that would permit the Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures for recording.

This measure would also:

- (1) Allow the registrar of the Bureau of Conveyances and the Department of Accounting and General Services, upon authorization of the Registrar, to furnish maps or plans in photographic, electronic, or electrostatic form upon receiving a request for maps or plans;
- (2) Allow the registrar of the Bureau of Conveyances to furnish nonattested copies of instruments and documents in photographic, electronic, or electrostatic form upon receiving a request for instruments or documents; and
- (3) Allow the registrar of the Bureau of Conveyances to convert existing information or documents into electronic form.

Your Committee notes that this measure is based on the Uniform Real Property Electronic Recording Act, which has been adopted by eighteen other states and the District of Columbia. This measure will allow the Bureau of Conveyances to become more efficient and up to date in its operations. This measure does not require the Bureau of Conveyances to make any changes to its procedures until it has developed the capacity to do so. This measure allows the Department of Land and Natural Resources to produce digital archives without also being required to produce microfilm records.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to continue the discussions in this matter, since the Bureau of Conveyances has indicated that further amendments may be requested; and
- (2) Making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 271, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 271, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1244 Ways and Means on H.B. No. 1152**

The purpose of this measure is to clarify certain aspects of accounts maintained by the Department of Public Safety for inmates.

Specifically, this measure clarifies that:

- (1) The Department of Public Safety may maintain more than one account per committed person;
- (2) The funds held in financial institutions will be placed in non-interest bearing accounts; and
- (3) No interest will be paid to the committed person from the funds held by the Department.

This measure also:

- (1) Allows the Director of Public Safety to designate a percentage of all funds earned by the committed person while in custody to be deposited and held in a nonspendable account to ensure that the committed person will have funds upon release; and
- (2) Requires the Department to:
  - (A) Provide quarterly accounting statements to all committed persons held in custody for over one quarter of the year; and
  - (B) Conduct annual audits on all committed persons' accounts.

This measure takes effect on July 1, 2030.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that it is important to clarify the State's obligations with regard to accounts opened by the Department of Public Safety for the purpose of maintaining committed persons' funds.

Your Committee further finds that this measure will benefit from further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1245 Ways and Means on H.B. No. 1763**

The purpose of this measure is to replace the Hawaii Tourism Authority with a newly established Department of Tourism.

Specifically, this measure:

- (1) Establishes the new Department of Tourism;
- (2) Transfers all of the functions of the Hawaii Tourism Authority to the Department of Tourism;
- (3) Transfers the tourism functions of the Department of Business, Economic Development, and Tourism to the Department of Tourism and renames the former agency the "Department of Business and Economic Development";
- (4) Transfers the moneys in the convention center enterprise fund, tourism emergency trust fund, and tourism special fund into corresponding funds administered by the Department of Tourism; and

- (5) Repeals the Hawaii Tourism Authority.

Your Committee received five written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that tourism is the primary economic engine that drives the State's economy. The influx of tourism related moneys that flow into the State not only sustains the industry, but also supports a significant percentage of all employment in Hawaii. However, the role of tourism in state government has been less than focused and, on occasion -- neglected, by the two state agencies charged with its administration. The inability of this bifurcated relationship to provide the necessary leadership to manage the State's greatest fiscal asset has resulted in lamentable outcomes that have threatened the very core of the tourism industry.

To rectify this problem, this measure proposes to establish tourism as a separate administrative department that is equal to all other state departments. A state cabinet level designation will provide tourism the recognition it requires to command the authority needed to effectively sustain and maintain a healthy tourism industry.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1763, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1246      Ways and Means on H.B. No. 586**

The purpose of this measure is to sunset the Kaneohe Bay Regional Council (Council) and designate the Department of Land and Natural Resources (Department) as the agency responsible for exercising the duties and functions of the Council, including:

- (1) Facilitating discussions between users of Kaneohe bay and the public;
- (2) Advising the State and the county on the use of Kaneohe bay;
- (3) Educating the public and users of the problems and needs of the bay; and
- (4) Implementing and periodically amending the Kaneohe Bay Master Plan as it relates to ocean activities.

Your Committee received one written comment on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee acknowledges and appreciates the contributions of the Kaneohe Bay Regional Council and its instrumental role in developing the Kaneohe Bay Master Plan and in addressing issues of concern for both the State and public. Your Committee feels, however, that current economic conditions make it essential that the Department of Land and Natural Resources focus on its core function of protecting and preserving the State's natural resources and that transferring the Council's duties and functions to the Department is a prudent decision.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 586, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 1247      Ways and Means on H.B. No. 899**

The purpose of this measure is to clarify and strengthen the authority of the Office of Hawaiian Affairs to issue revenue bonds to obtain funding for its projects by amending the bond provisions of Chapter 10, Hawaii Revised Statutes, to reflect current government bond practices and provide increased autonomy for the Office of Hawaiian Affairs in issuing bonds.

Specifically, this measure:

- (1) Allows the Board of Trustees of the Office of Hawaiian Affairs to contract, with certain restrictions, for support facilities and remarketing arrangements to market revenue bonds;
- (2) Authorizes the Office of Hawaiian Affairs to issue and authorize revenue bonds without further authorization from the Legislature;
- (3) Clarifies that the Board of Trustees of the Office of Hawaiian Affairs may acquire insurance policies to reduce the costs of borrowing;
- (4) Allows the Board of Trustees of the Office of Hawaiian Affairs to negotiate the sales price of the revenue bonds and set varying rates of the bonds;
- (5) Requires that bonds issued by the Office of Hawaiian Affairs be competitively sold in a manner consistent with all other state agencies;
- (6) Allows any person or entity regulated by law as to the character of their investment to invest in bonds issued by the Office of Hawaiian Affairs;
- (7) Requires that revenue bonds issued by the Office of Hawaiian Affairs bear a manual signature of the chairperson of the board and the administrator or, if provided by resolution, by a designated officer or registrar; and
- (8) Broadens the sources of revenue by which the Office of Hawaiian Affairs may meet the requirement that its projects be self-supporting.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Office of Hawaiian Affairs has the authority to issue revenue bonds under current law. Your Committee feels that this measure will offer the Office of Hawaiian Affairs greater flexibility and autonomy when issuing revenue bonds and creates consistency with the State's bond practices.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 1248      Ways and Means on H.B. No. 1175**

The purpose of this measure is to increase the cigarette tax and to generate general fund revenues.

Specifically, this measure increases the per-cigarette tax to 20 cents beginning on July 1, 2009, and thereafter. Furthermore, this measure requires the deposit of unspecified percentages of the tax on cigarettes to the credit of the Hawaii tobacco prevention and control trust fund beginning on July 1, 2009.

Your Committee received ninety-one written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds this measure is a one-time tax increase that replaces the current yearly tax increases and ensures that the State has sufficient resources for tobacco prevention and control programs, by statutorily designating part of the cigarette tax to be deposited into the Hawaii tobacco prevention and control trust fund.

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

- (1) Changing the amount of the tax per cigarette beginning on July 1, 2009, to 13 cents; and
- (2) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1175, 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. 1175, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1249      Ways and Means on H.B. No. 1371**

The purpose of this measure is to allocate a portion of federal funds received from the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, or other federal stimulus acts to finance certain health and human services programs.

Specifically, this measure appropriates and allocates unspecified amounts for increased Medicaid reimbursements, disproportionate share hospital payments, the Hawaii Children's Health Care Program, and a variety of other health and human services programs. The amounts appropriated are subject to the proviso that the level of general funds appropriated in fiscal year 2008-2009, for the programs identified, in fiscal years 2009-2010 and 2010-2011, are not:

- (1) Replaced by the federal funds appropriated by this measure; or
- (2) Decreased because of the availability of the federal funds appropriated by this measure.

Furthermore, the Governor may approve the expenditure of federal funds in excess of levels authorized by the Legislature only if the expenditure is made for the benefit of the public.

Your Committee received eighty-three written comments on this measure. The written comments may be reviewed on the Legislature's website.

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

- (1) Changing all appropriated amounts to \$1; and
- (2) Changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1371, 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. 1371, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1250      Ways and Means on H.B. No. 1807**

The purpose of this measure is to enable Hawaii to receive and use moneys under the federal American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, and any other federal laws for safe drinking water and wastewater infrastructure.

Specifically, this measure allows the Director of Health to provide assistance for:

- (1) The construction of necessary drinking water infrastructure projects; and

(2) Publicly owned wastewater treatment works for the construction of necessary wastewater infrastructure projects,

using moneys appropriated under the American Recovery and Reinvestment Act of 2009 and other federal laws. The measure also allows the Department of Health to establish not more than two exempt positions each entitled "total maximum daily load coordinator" to help the Department meet federal requirements for establishing total maximum daily loads relating to water pollution and water quality in the State. Finally, this measure appropriates an unspecified amount from the American Recovery and Reinvestment Act of 2009 and any other federal laws for safe drinking water and wastewater infrastructure projects.

Your Committee received eight written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the American Recovery and Reinvestment Act of 2009 will provide significant funding for wastewater and drinking water system improvements in the State.

Upon further consideration, your Committee has amended this measure to change the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1807, 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. 1807, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1251      Ways and Means on H.B. No. 111**

The purpose of this measure is to establish a two-year statute of limitations for recovering indebtedness to the State from a public officer, agent, or employee.

In addition, this measure increases the salary range of the state captive insurance administrator to an amount that is not more than the maximum salary of the first deputy to the Director of Commerce and Consumer Affairs.

Your Committee received seven written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will ensure a fair process for collecting moneys owed to the State or county by a public officer, agent, or employee.

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

- (1) Increasing the time limit for recovery of indebtedness from two years from the date of indebtedness to three years;
- (2) Deleting the provision to increase the salary of the captive insurance administrator; and
- (3) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 111, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 111, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1252      Ways and Means on H.B. No. 179**

The purpose of this measure is to address future costs for electricity, repair, and maintenance of air conditioning and other equipment and fixtures donated to public schools.

Specifically, this measure repeals provisions that:

- (1) Allow the Department of Education to require the approximate cost of electricity and maintenance for air conditioners not installed by the Department of Accounting and General Services to be paid by a private entity;
- (2) Make the costs of repair and maintenance of donated fixtures in existing and new school facilities be the responsibility of the Department of Accounting and General Services; and
- (3) Under specified circumstances, make the cost of repair and maintenance of donated equipment the responsibility of the Department of Education.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that with the enactment of Act 51, Session Laws of Hawaii 2004, responsibility for the construction, repair, and maintenance of public school facilities, including all equipment and fixtures was transferred from the Department of Accounting and General Services to the Department of Education effective July 1, 2005. This measure is in accordance with the transfer of those responsibilities.

Your Committee amended this measure by making a nonsubstantive change for the purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 179, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 179, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1253 Ways and Means on H.B. No. 242**

The purpose of this measure is to appropriate funds for the planning and repairing of agricultural facilities at the former Del Monte operation on Oahu and at Maui Community College.

This measure also authorizes the issuance of an unspecified amount of general obligation bonds to modify the facilities at the former Del Monte operation and Maui Community College, to improve the value-added agricultural industry.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that diversified agriculture contributes to the State's economy by providing employment opportunities and products for export, and by promoting tourism. Your Committee also finds that successful agricultural ventures would not only result in significant contributions to the State's economy, but also help to stabilize and sustain Hawaii's food supply. Your Committee further finds that the investment of resources to support value-added agricultural operations is a necessary step to foster a successful transition from plantation agriculture to diversified agriculture.

Your Committee has amended this measure by replacing the unspecified bond issuance amount with an amount of \$1 of general obligation bonds to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 242, 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. 242, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Hemmings).

**SCRep. 1254 Ways and Means on H.B. No. 895**

The purpose of this measure is to deter the use of tobacco products other than cigarettes by increasing the tax on these products.

Specifically, this measure:

- (1) Amends the definition of tobacco products to include smokeless and pipe tobacco;
- (2) Increases the tax on tobacco products to:
  - (A) Eighty-five per cent of the wholesale price of the tobacco products sold on or after September 30, 2009;
  - (B) Ninety-five per cent of the wholesale price of the tobacco products sold on or after September 30, 2010; and
  - (C) One hundred five per cent of the wholesale price of the tobacco products sold on or after September 30, 2011; and
- (3) Requires a percentage of the tax collected from the tobacco products to be deposited into the community health centers special fund, health systems special fund, and Hawaii tobacco prevention and control trust fund, respectively.

Your Committee received one hundred twenty-three written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that tobacco use, whether in the form of cigarettes or tobacco products, is detrimental to the health of the people of the State, especially our youth. Tobacco products are even more harmful due to the absence of a filter that is commonly found in cigarettes. Your Committee feels that increasing the tax on these products will discourage young people from starting a bad habit, encourage those who already use such products to stop, and promote a healthier lifestyle.

Your Committee discussed the need for the conference committee to consider the possibility of providing an exemption for locally grown and produced cigars.

You Committee has amended this measure by:

- (1) Changing the tax on tobacco products to:
  - (A) Sixty per cent of the wholesale price of the tobacco products sold on or after September 30, 2009;
  - (B) Seventy per cent of the wholesale price of the tobacco products sold on or after September 30, 2010; and
  - (C) Ninety per cent of the wholesale price of the tobacco products sold on or after September 30, 2011; and
- (2) Adding a proviso to the effective date to ensure that the amendment to the definition of "tobacco products" survives the repeal and reenactment of the provision when Act 131, Session Laws of Hawaii 205, is repealed by operation of law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 895, 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. 895, H.D. 2, S.D. 2.



Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1255 Ways and Means on H.B. No. 1204**

The purpose of this measure is to require an additional distribution of the transient accommodations tax revenues to the tourism special fund.

Specifically, this measure:

- (1) For fiscal years 2009-2010 and 2010-2011 only and after distributions under current law, requires an unspecified portion of the remaining transient accommodations tax revenues to be deposited into the tourism special fund with any residue to be deposited into the general fund; and
- (2) Beginning in fiscal year 2011-2012 and each fiscal year thereafter requires all remaining revenues to be deposited into the general fund.

Your Committee received five written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that increasing tourism marketing and outreach is a part of the State's five-point economic sustainability plan. Your Committee feels that tourism marketing is an important investment and a proven method of reviving a stagnant economy.

Your Committee also finds that additional revenues will enable the Hawaii Tourism Authority to invest in programs under the marketing, access, research, and planning initiatives that will help to stimulate travel to the State, thus supporting the State's economy, sustaining jobs, and increasing tax revenues.

Your Committee has amended this measure by changing the effective date to July 1, 2150, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1204, 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. 1204, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1256 Ways and Means on H.B. No. 1627**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds for Carbon Diversion, Incorporated for the development of cogeneration facilities.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the hybrid gasification carbonization process developed by Carbon Diversion, Incorporated converts non-fossil fuel feedstock into carbon products and synthetic gas and will help reduce the State's dependence on fossil fuels. The special purpose revenue bonds authorized by this measure will encourage the development of this renewable energy source.

Your Committee amended this measure by changing the effective date to July 1, 2077, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1627, 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. 1627, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Hemmings).

**SCRep. 1257 Ways and Means on H.B. No. 1665**

The purpose of this measure is to prohibit the sale of public lands on which government-owned Hawaiian fishponds are located.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that Hawaiian fishponds have important historical and cultural significance to the Native Hawaiian community and serves a valuable role in the conservation of marine resources and the mitigation of climate change in coming years. Your Committee further finds that this measure will help to preserve and protect Hawaiian fishponds by prohibiting the sale of public lands on which government-owned Hawaiian fishponds are located.

Your Committee has amended this measure by changing the effective date to January 1, 2090 to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1665, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1665, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1258 Ways and Means on H.B. No. 1676**

The purpose of this measure is to make the terms of a collective bargaining agreement governing a project party's workforce the prevailing wage for a project funded by special purpose revenue bonds when the collective bargaining agreement has been properly filed with the Director of Labor and Industrial Relations.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure clarifies the means for determining a project party's compliance with the prevailing wage for projects financed by special purpose revenue bonds.

Your Committee has amended this measure by changing the effective date to July 1, 2077, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1676, 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. 1676, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1259 Ways and Means on H.B. No. 574**

The purpose of this measure is to encourage recycling of beverage containers.

Specifically, this measure:

- (1) Extends the reverse vending machine rebate program to June 30, 2014;
- (2) Increases the financial incentives offered by the reverse vending machine rebate program;
- (3) Appropriates an unspecified amount for fiscal year 2009-2010 for grants-in-aid to the counties to plan and operate county recycling programs; and
- (4) Requires dealers that have more than seventy-five thousand square feet of interior space to operate redemption centers.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that requiring large retailers to operate redemption centers will make it more convenient for consumers to recycle glass, plastic, and aluminum beverage containers. Your Committee further finds that an extension of the reverse vending machine rebate program may encourage the development of more recycling facilities and increase the amount of containers that are recycled. However, during these difficult economic times, your Committee believes that it is not fiscally prudent to appropriate funds for grants-in-aid to the counties for recycling programs.

Accordingly, your Committee amended this measure by:

- (1) Deleting the appropriation for fiscal year 2009-2010 for grants-in-aid to the counties to plan and operate county recycling programs; and
- (2) Changing the effective date to July 1, 2077, to encourage further discussion of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 574, 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. 574, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1260 Ways and Means on H.B. No. 960**

The purpose of this measure is to broaden the use of the tourism emergency trust fund to include incidents related to a national or global economic crisis.

The measure also transfers tourism research and statistics duties presently performed by the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that tourism is the primary economic engine that drives the State's economy. Recently, the national and global economic crisis has led to the cancellation of business conventions, corporate retreats, business travel, and family vacations to the State. These cancellations are evidenced by an overall drop in statewide visitor arrivals that is predicted to get worse before it gets better.

Your Committee finds that this measure will enable the Hawaii Tourism Authority to react in a timely manner to address a national or global economic crisis and will strengthen the State's efforts to eliminate or mitigate the effects of such a crisis.

Your Committee also finds that timely and accurate tourism related research, including compilation and analysis of data, is important for the development and implementation of an effective visitor industry program. Your Committee believes that joining

tourism research and statistical data with the market intelligence research of various major market areas under one agency will allow the State to efficiently address the volatility in the tourism market.

Your Committee has amended the measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical, nonsubstantive amendments for the purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 960, 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. 960, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1261 Ways and Means on H.B. No. 991**

The purpose of this measure is to ensure adequate access to medical care in rural, medically underserved areas of the State by establishing and appropriating funds for the Hawaii medical doctor loan program.

Specifically, this measure provides financial assistance for:

- (1) Students who complete a state-approved medical school program at the University of Hawaii and agree to practice in rural areas of the State; or
- (2) Graduates of a medical school who have received medical training from a Hawaii-based medical program and agree to practice in rural areas of the State.

The maximum aggregate amount of loans, at five per cent simple interest, that a student may receive under this program is equal to tuition payments and costs of textbooks and other necessary instructional and laboratory materials. Repayment of a recipient's loan may be waived if the recipient practices in a rural area of the State, as designated by the university, for a minimum of six consecutive years. This measure establishes the Hawaii medical doctor loan program revolving fund within the University of Hawaii and provides that all interest and payments received with regard to the loan program be credited to the revolving fund. Finally, this measure appropriates an unspecified amount from general funds for deposit into the Hawaii medical doctor loan program revolving fund and appropriates an unspecified amount from the Hawaii medical doctor loan program revolving fund for the loan program.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will provide an essential tool for recruiting and retaining health care professionals in medically underserved and rural areas of the State.

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

- (1) Moving the provision creating the Hawaii medical doctor loan program revolving fund from the new subpart in part II of chapter 304A, Hawaii Revised Statutes, to part V of the same chapter because special, revolving, and other funds are typically established in part V;
- (2) Changing the unspecified appropriated amounts to \$1; and
- (3) Changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 991, 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. 991, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1262 Ways and Means on H.B. No. 1045**

The purpose of this measure is to authorize the Hawaii Housing Finance and Development Corporation to modify and amend development agreements that were entered into between its predecessor agency and eligible developers.

This measure also authorizes the corporation to impose and collect reasonable fees for various administrative expenses and makes several housekeeping amendments.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that clarifying the Hawaii Housing Finance and Development Corporation's authority to modify and amend development agreements with eligible developers is a housekeeping amendment that corrects an omission made when Hawaii's housing laws were recodified by Act 180, Session Laws of Hawaii 2006. Your Committee further finds that this measure also clarifies the Corporation's authority to set and collect fees for various administrative expenses that it incurs.

Your Committee has amended this measure by changing the effective date to July 1, 2099, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1045, 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. 1045, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (English, Galuteria, Hee, Hemmings).

**SCRep. 1263 Ways and Means on H.B. No. 1628**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist BioEnergy Hawaii, LLC in establishing a cogeneration facility and related energy production facilities.

Your Committee received three written comments on the measure. Written comments presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that cogeneration facilities will produce the following benefits for the State:

- (1) Reduce greenhouse gas emissions;
- (2) Reduce landfill waste steams;
- (3) Reduce transportation and disposal costs;
- (4) Create local technical and semi-technical job opportunities; and
- (5) Promote renewable energy for local communities through distributed generations.

Your Committee has amended this measure by changing the effective date to July 1, 2090, in order to facilitate continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1628, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1628, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Hemmings).

**SCRep. 1264 Ways and Means on H.B. No. 1678**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist LifeGrid Solutions, LLC, in constructing a biofuel refinery and research facility on Oahu.

Your Committee received two written comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will promote the development of renewable, non-fossil fuel energy sources for the benefit of the State.

Your Committee has amended this measure by changing the effective date to July 1, 2090 to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1678, 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. 1678, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Hemmings).

**SCRep. 1265 Ways and Means on H.B. No. 1692**

The purpose of this measure is to restrict an unspecified percentage of low-income housing leases to no more than five years, except for persons who are age fifty-five or older, persons with a physical or mental disability, or persons retired for medical reasons.

This measure also requires the Hawaii Public Housing Authority to review federal pilot programs on breaking the cycle of public housing and welfare and to report its findings to the Legislature prior to the 2010 regular session.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the lease restriction in this measure will not only reduce multigenerational low-income housing tenancy, but will also increase the supply of low income housing in the State. Your Committee further finds that by breaking the cycle of public housing and welfare, this measure will encourage upward social mobility and promote economic independence by low-income housing tenants.

Your Committee has amended this measure by:

- (1) Changing the five year restriction on the length of a lease to an unspecified period; and
- (2) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1692, 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. 1692, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (English, Galuteria, Hee, Hemmings).

**SCRep. 1266 Ways and Means on H.B. No. 36**

The purpose of this measure is to clarify the permitted user of the environmental health education fund.

Specifically, this measure:

- (1) Changes the name of the environmental health education fund to the environmental health special fund; and
- (2) Expands the type of activities for which moneys in the special fund may be expended to include permitting, inspections, other monitoring, and enforcement.

Your Committee received nine written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the majority of the fees deposited into the environmental health education fund are collected by the sanitation branch of the department of health's environmental health services division. This division administers programs and collects fees for food safety, the regulation of various professions, and enforcing sanitation requirements at hospital and medical facilities. The fees deposited into the environmental health education fund, however, do not appear to serve an educational purpose and appear to be contrary to the "nexus" requirement for special and revolving funds.

To clarify the nexus between the purpose of the fund and the users who pay fees into the fund, this measure changes the name of the environmental health education fund to the environmental health special fund. Your Committee believes that this measure will ensure that the fees collected more directly benefit the fee payers and thus will satisfy the nexus requirement for special and revolving funds.

Upon further consideration, your Committee has amended this measure to change the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 36, 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. 36, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (English, Hee, Hemmings).

**SCRep. 1267 (Majority) Ways and Means on H.B. No. 1166**

The purpose of this measure is to provide the Airports Division of the Department of Transportation with additional financing options to construct airports capital improvement projects.

Specifically, this measure:

- (1) Clarifies that the passenger facility charge may be used for an undertaking relating to the financing of revenue bonds;
- (2) Allows moneys paid into the passenger facility charge special fund to be appropriated, applied, or expended by the Department of Transportation for airport capital improvement program projects approved by the Legislature and as permitted by federal law; and
- (3) Allows the establishment of other accounts within the passenger facility charge special fund and requires transfer of passenger facility charge revenues into these other accounts to pay debt service on the related bonds.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that authorizing certain uses of the passenger facility charge provides the Department of Transportation with an additional capital funding source to provide for the expansion of the airport system.

Upon further consideration, your Committee has amended this measure to change the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1166, 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. 1166, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1268 Ways and Means on H.B. No. 541**

The purpose of this measure is to temporarily extend civil service benefits and rights to Department of Education employees until the Department establishes a permanent civil service system.

Your Committee received three written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the Department of Education has not established the separate civil service system that was authorized under Act 51, Session Laws of Hawaii 2004, the Reinventing Education Act of 2004. Act 51 was intended to provide the Department of Education with autonomy in several areas including civil service and employment.

This measure allows Department of Education employees to remain civil service employees until a permanent civil service system is established by the Department of Education.

Your Committee believes that the Department of Education should be able to complete this project by June 30, 2010, but that if the project cannot be completed within the prescribed timetable, the Department of Education should be held to account for the delay.

Accordingly, your Committee has amended this measure by:

- (1) Temporarily extending the sunset date to June 30, 2010, for civil service benefits and rights for Department of Education employees;
- (2) Requiring a report by the Department of Education to the Legislature if the civil service system project is not completed by June 30, 2010; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 541, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 541, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1269      Ways and Means on H.B. No. 1483**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Better Place Hawaii, Inc., in developing transportation infrastructure to support electric vehicles.

Your Committee received two written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the development of alternatives to fossil fuel-based modes of transportation is essential to Hawaii's long-term energy goals. Specifically, the development of renewable energy transportation will support the State's renewable energy goals.

Your Committee has amended this measure by changing the effective date to July 1, 2090, to facilitate continued discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1483, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Hemmings).

**SCRep. 1270      Ways and Means on H.B. No. 317**

The purpose of this measure is to authorize the use of federal Homeland Security Grant funds to purchase, equip, and staff a mobile medical van for residents in remote areas on the island of Hawaii.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that there is a lack of hospitals and health care centers on the southern portion of the island of Hawaii. Your Committee finds that this is a remote area of the State where residents are relatively isolated from the nearest hospitals and health care centers located some distance away. This isolation and distance from health facilities limits residents' access to emergency medical care and basic clinical health services. The problem has become magnified in recent months with the increase in vog from Halema'uma'a Crater that is concentrated in southern Hawaii and has the greatest health impact on residents in that area. Accordingly, your Committee finds that these residents' access to medical care would be greatly improved by a mobile medical service that is staffed and equipped to visit these areas and provide clinical health care and emergency care.

Your Committee has amended this measure by changing the amount of the appropriation to \$1 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 317, 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. 317, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Hemmings).

**SCRep. 1271      Ways and Means on H.B. No. 183**

The purpose of this measure is to respond to recommendations made by the Auditor pursuant to a study on the appropriate accountability structure for the Hawaii Teacher Standards Board.

More specifically, this measure:

- (1) Establishes an advisory committee to:
  - (A) Provide oversight of the Hawaii Teacher Standards Board;
  - (B) Provide to the Governor lists of qualified candidates for appointment to the Board; and

- (C) Provide to the Board of Education a list of qualified candidates for appointment as Executive Director of the Hawaii Teacher Standards Board;
- (2) Authorizes the Hawaii Teacher Standards Board to:
  - (A) Determine the manner by which teacher licensing fees are collected;
  - (B) Adopt, amend, repeal, or suspend the policies and standards of the Board; and
  - (C) Coordinate the creation of a data interface network, consisting of teacher education institutions and the Department of Education, to support the free interchange of valuable information; and
- (3) Appropriates funds for the establishment of a data interface network.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

In studying the appropriate accountability structure for the Hawaii Teacher Standards Board, the Auditor recommended the establishment of an advisory committee to provide oversight of the Board. Your Committee finds that this measure fulfills that recommendation, which will contribute to the efficiency and effectiveness of the Hawaii Teacher Standards Board. In addition, the data interface network will promote a data-sharing effort that will benefit public and private school teachers and enhance the education of all students in the State.

Your Committee has amended this measure by specifying that the amount of the appropriation is \$1.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 183, 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. 183, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1272      Ways and Means on H.B. No. 371**

The purpose of this measure is to repeal the provision sunsetting the one cent per gallon tax on naphtha fuel sold for use in a power-generating facility.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that Act 103, Session Laws of Hawaii 2007, taxed naphtha fuel sold for use in a power-generating facility at the same one cent per gallon license tax rate as diesel oil and aviation fuel, rather than at the higher county fuel tax rates. Your Committee also finds that Act 209, Session Laws of Hawaii 2007, increased the tax rate imposed on diesel oil and aviation fuel to two cents per gallon. Accordingly, your Committee finds that it would be consistent with the intent of Act 209 to also tax naphtha fuel sold for use in a power-generating facility at the rate of two cents per gallon.

Therefore your Committee has amended this measure by:

- (1) Increasing the naphtha fuel tax from one cent per gallon to two cents per gallon; and
- (2) Changing the effective date to July 1, 2090, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, 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. 371, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1273      Ways and Means on H.B. No. 427**

The purpose of this measure is to encourage the development of alternative energy and renewable fuel technologies by authorizing the issuance of special purpose revenue bonds for One Planet Pacific Energy, LLC, to construct a gasification facility to convert solid waste into synthetic gas.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that One Planet Pacific Energy, LLC, proposes to use a proprietary gasification technology to convert solid waste from the construction and demolition material landfill located in Nanakuli on the island of Oahu into synthetic gas. Your Committee further finds that by using the materials that would otherwise sit in the landfill to generate a source of renewable energy will dramatically extend the life of the landfill.

Your Committee amended this measure by changing the effective date to July 1, 2077, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 427, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 427, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Galuteria, Kokubun, Hemmings).

**SCRep. 1274 Ways and Means on H.B. No. 519**

The purpose of this measure is to:

- (1) Expand the capacity of correctional facilities and prisons in Hawaii;
- (2) Return all women inmates from Hawaii that are housed in out-of-state correctional facilities to Hawaii correctional facilities by December 31, 2011;
- (3) Limit the future number of inmates from Hawaii that may be incarcerated in out-of-state prisons or correctional facilities; and
- (4) Require the Department of Public Safety to develop alternative programs or forms of incarceration for Hawaii inmates returning from mainland facilities.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that Hawaii currently lacks the capacity in its prisons and correctional facilities to accommodate all its inmates. Accordingly, a significant number of Hawaii inmates are housed in prisons and correctional facilities located in other states. Your Committee believes that rehabilitation is more effective and recidivism is reduced if inmates are incarcerated closer to home. Your Committee also finds incarcerating inmates in Hawaii instead of in other states will eliminate the expense of paying other jurisdictions to detain Hawaii's inmates. Your Committee, however, recognizes that the return of Hawaii inmates from other states should not take place until Hawaii's prisons and correctional facilities have the capacity to accommodate these additional inmates.

Your Committee has amended this measure by:

- (1) By requiring all women inmates to be returned to Hawaii by December 31, 2011, only if the capacity and bed space exist in Hawaii's prisons and correctional facilities to accommodate the additional inmates; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 519, 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. 519, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1275 Ways and Means on H.B. No. 982**

The purpose of this measure is to establish a data collection system to collect and analyze data on the uses of family leave benefits by public and private sector employees.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that as Hawaii's population ages, there will be a greater need for employees to use family leave benefits to care for older family members that have special needs. Your Committee believes that creating a data collection tool to capture existing data on the use of family leave benefits will be helpful in developing an efficient family leave system for employees in Hawaii.

Your Committee has amended this measure by changing the:

- (1) Amount of the appropriation to \$1; and
- (2) Effective date to July 1, 2050,

to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 982, H.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 982, H.D. 3, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1276 Ways and Means on H.B. No. 983**

The purpose of this measure is to enhance traffic safety and enable and encourage children to walk and bicycle to school by making it safer and more appealing.

Specifically, this measure requires the Director of Transportation to provide federal Safe Routes to School program funds for school-based and community-based workshops and infrastructure and non-infrastructure projects that will reduce vehicular travel and congestion, encourage walking and bicycling, and promote health and safety around Hawaii's schools. In implementing the Safe Routes to School program, the Director of Transportation is required to consider certain conditions, including:

- (1) Creating and filling a permanent, full-time position of Safe Routes to School coordinator;
- (2) Maximizing the participation of stakeholder groups;



- (3) Training volunteer facilitators and potential grant requestors and stakeholder groups; and
- (4) Allocating at least ten per cent and not more than thirty per cent of federal Safe Routes to School program funds for non-infrastructure-related activities.

The bill further requires the Director of Transportation to develop a streamlined process for the federal Safe Routes to School grant program that meets federal and state requirements, simplifies the application process, and expedites release of funding. Finally, the Director is required to submit a report of the status and progress of the program prior to the convening of the Regular Session of 2010.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure, through the use of the federal Safe Routes to School grant program funds, will help to ensure the safety of students when traveling to and from school as well as reduce traffic congestion.

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

- (1) Clarifying that the Director of Transportation is to submit the required report to the Legislature; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 983, 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. 983, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1277      Ways and Means on H.B. No. 994**

The purpose of this measure is to promote tourism and to stimulate technology development in Hawaii.

Specifically, this measure appropriates funds for the State to apply for a spaceport license from the Federal Aviation Administration.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that space tourism based in Hawaii has commercial, technological, and educational potential that could stimulate the visitor industry in the State, as well as provide a significant contribution to the diversification of our economy.

Upon further consideration, your Committee has amended this measure to change the effective date to July 1, 2113, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 994, 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. 994, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1278      (Majority) Ways and Means on H.B. No. 1405**

The purpose of this measure is to conform the State's tax laws to the multi-state Streamlined Sales and Use Tax Agreement.

Your Committee received two written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the Streamlined Sales and Use Tax Agreement is a method developed by states and businesses to have internet and catalogue sellers collect the sales and use tax from consumers on behalf of the states for those sellers who do not have a nexus within that state.

Your Committee believes that a voluntary mechanism for internet and catalog sellers to collect taxes from their consumers is necessary, in part because people buying from these merchants fail to pay the use tax on their purchases. Thus, adopting the Streamlined Sales and Use Tax Agreement will result in the collection of unrealized revenue for the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (2) Making a technical, nonsubstantive amendment to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, 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. 1405, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1279      Ways and Means on H.B. No. 1016**

The purpose of this measure is to appropriate funds to satisfy claims against the State, its officers, and employees for settlements, judgments, and other liabilities.

Your Committee received two written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to satisfy all claims against the State, its officers, or its employees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1016, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1280 Commerce and Consumer Protection on H.B. No. 1611**

The purpose of this measure is to improve food safety by requiring the accurate labeling of meat and fish products that have been gas-treated to enhance product color or to approximate the appearance of freshness.

Your Committee received testimony in support of this measure from Hawaii Teamsters and Allied Workers, Local 996 and one private citizen. Testimony with comments on this measure was received from the Department of Agriculture, the Department of the Attorney General, and Wal-Mart Stores, Inc. Testimony in opposition to this measure was received from the Department of Health and the Grocery Manufacturers Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that gas treatment, while not itself harmful, may alter the color of packaged meat or fish in such a way that makes it difficult for a consumer to tell whether the product is actually fresh or merely appears to be so. Your Committee notes that packaged meat or fish may contain high bacteria levels indicative of spoilage even though it has not passed the "use, sell, or freeze by" date stamped on the package. Your Committee notes the testimony of the Department of Agriculture and the Department of the Attorney General that meat inspection is the responsibility of the United States Department of Agriculture and that no state meat inspection program currently exists. However, your Committee further finds that there is merit to enforcing quality controls of the food supply at the state level.

Your Committee has amended this measure by:

- (1) Requiring the Department of Agriculture to post notice of the labeling requirement contained in this measure on its website;
- (2) Adding a severability clause;
- (3) Deferring the implementation of this measure to August 1, 2009 to allow producers, retailers, the Department of Health, and the Department of Agriculture sufficient time for compliance; and
- (4) Making nonsubstantive technical changes for the purpose of clarity and accuracy in its language.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1611, 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. 1611, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1281 Commerce and Consumer Protection on H.B. No. 1273**

The purpose of this measure is to prohibit real estate contracts, real estate agreements, association rules, and bylaws from precluding the use of clotheslines on the premises of single family dwellings and townhouses or from imposing conditions on the use of clotheslines that are so onerous as to render the clotheslines ineffective.

Your Committee received testimony in support of this measure from The Gas Company, Blue Planet Foundation, the Sierra Club: Hawaii Chapter, and one private citizen. Testimony with comments on this measure was received from Mililani Town Association. Testimony in opposition to this measure was received from the Land Use Research Foundation of Hawaii. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that clotheslines are one of the simplest ways for most households to reduce their energy consumption and, therefore, reduce their monthly utility costs. Your Committee further finds that a widespread reduction of household energy consumption will help Hawaii achieve its goal of increasing energy independence and decreasing dependence on imported fossil fuels. Your Committee notes that this measure respects the right of homeowners associations to impose reasonable restrictions on the use of clotheslines in response to concerns about community aesthetics.

Your Committee has amended this measure by substituting the contents of S.B. No. 1338, S.D. 2, which your Committee has previously advanced with the recommendation that it pass Third Reading. As amended, this measure:

- (1) Amends section 196-7, Hawaii Revised Statutes, to:
  - (A) Prohibit any covenant, declaration, bylaws, restriction, deed, lease, term, provision, condition, codicil, contract, or similar binding agreement from preventing a person from erecting a clothesline on a single family residence or townhouse that the person owns; provided that reasonable restrictions may apply; and
  - (B) Include clotheslines in the category of "solar energy device", which shall not be prohibited for single family residences or townhouses; and
- (2) Amends section 235-12.5, Hawaii Revised Statutes, to clarify that clotheslines are not included in the definitions of "renewable energy technology system" or "solar or wind energy system".

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1273, 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. 1273, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Sakamoto, Hemmings).

**SCRep. 1282      Judiciary and Government Operations on H.B. No. 28**

The purpose of this measure is to:

- (1) Prohibit the sale of dead human bodies, including human bodies or remains that have been plastinated through the use of polymers; and
- (2) Raise the monetary penalty for the sale of a dead human body or the giving, offering, or promising of consideration for a dead human body from \$1,000 to \$5,000.

This measure is intended to address the display of dead human bodies for commercial purposes.

Your Committee notes ongoing concerns raised by prior committees about whether this measure may conflict with existing law in section 327-16, Hawaii Revised Statutes, relating to the sale or purchase of body parts, and whether the term “recently occurred” in the proposed definition of “dead human body” may be too vague to allow proper enforcement of the prohibition.

Your Committee has amended this measure by:

- (1) Clarifying that the display of dead human bodies for commercial purposes is prohibited; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 28, 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. 28, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1283      Judiciary and Government Operations on H.B. No. 876**

The purpose of this measure is to:

- (1) Increase the amount of unpaid common assessments that an association of apartment owners may collect against the subsequent owner of a foreclosed property;
- (2) Clarify the legal responsibility of a unit owners’ association in a condominium to elderly or disabled unit owners or residents, having a physical or mental handicap or disabling condition, who may require services and assistance to maintain independent living in the unit in which the unit owner or resident resides; and
- (3) Allow the board of a unit owners’ association in a condominium, pursuant to a report, observation, or complaint relating to an elderly or disabled unit owner or resident living independently with a physical or mental handicap or disabling condition, to request a functional assessment regarding the condition of the elderly or disabled unit owner or resident and recommendations for services from mental health or medical practitioners, governmental agencies responsible for adult protective services, or non-profit service entities. The person receiving the functional assessment is deemed to be the client of the person or entity conducting the functional assessment.

Your Committee finds that mortgage foreclosures impact condominium associations when the owner of a foreclosed property fails to pay association maintenance fees. The association continues to be responsible for maintaining the common areas and providing the common benefits such as water, electricity, and maintenance staff of the property, regardless of whether the association receives all of the fees due.

Your Committee further finds that associations and their members should be supported in their good faith efforts to assist fellow residents who have difficulty living independently. Current law protects associations from liability for good faith efforts to assist elderly residents who may be in need of assessment or social services in order to maintain independent living and avoid harm to self or others. This measure allows associations to also offer assistance to disabled residents.

Your Committee has amended this measure on the recommendation of the Disability and Communication Access Board by replacing the phrase “physical or mental handicap or disabling condition” with the phrase “physical or mental disability.”

Your Committee has also changed the effective date to July 1, 2075 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 876, 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. 876, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1284      Judiciary and Government Operations on H.B. No. 1379**

The purpose of this measure is to allow for the use of a standardized physician orders for life sustaining treatment (POLST) form that states an individual’s wishes regarding end-of-life treatment in all pre-hospital and health care settings.

Your Committee finds that it is important for people to make their preferences known regarding end-of-life treatment. Health care planning is a process, rather than a single decision, that helps individuals think about the kind of care they would want if they become seriously ill or incapacitated and encourages them to talk with their loved ones and physicians to ensure that their choices are honored.

Your Committee understands that while an advance health care directive allows an individual to provide specific and advanced instructions on whether to prolong or not prolong life, to provide or not provide food and water or relief from pain near the individual's end-of-life, it does not provide real-time, actionable instructions required by first-responders, emergency room personnel, and other health care providers. Your Committee also understands that the effectiveness of the current comfort care only/do not resuscitate bracelet is limited because the bracelet only instructs health care providers to provide comfort and to resuscitate or not resuscitate.

Written as physician's orders, POLST documents can be made to clearly articulate an individual's choices, providing health care providers with the absolute clarity needed to quickly and unambiguously honor these choices. Furthermore, POLST documents can be more comprehensive, allowing individuals to tailor their instructions with the advice and assistance of their physicians. Thus, a POLST document can designate comfort measures only, full aggressive measures, or allow individuals to choose which interventions they would accept and which they would refuse.

As a complementary part of the continuum of end-of-life care, your Committee believes that POLST documents will improve the delivery of health care in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting section 1, the purpose section;
- (2) Defining "surrogate" as defined under current law and clarifying that for purposes of POLST documents only the patient may designate a surrogate;
- (3) Clarifying that only physicians may explain the nature and content of the POLST form since physicians have the medical expertise to provide such advice; and
- (4) Changing the effective date to July 1, 2050, to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1379, 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. 1379, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

#### **SCRep. 1285      Judiciary and Government Operations on H.B. No. 358**

The purpose of this measure is to promote the rehabilitation of convicted drug offenders through alternatives to incarceration by authorizing the placement of certain drug offenders in secure drug treatment facilities.

Testimony in support of this measure was submitted by one organization and one individual. Testimony providing comments was submitted by one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that providing convicted drug offenders with drug rehabilitation programs in a secure drug treatment facility will reduce the convicted drug offender's rate of recidivism upon release and also help convicted drug offenders develop an important and meaningful role in society. Your Committee also finds that this measure provides another alternative for rehabilitating drug offenders, and received information from proponents that no additional moneys would be needed.

Your Committee notes the testimony expressing reservations whether a secure drug treatment facility will use the proper drug treatment modalities that are approved by the Department of Health and that separates out inmates in the program from the general prison population where a drug abuse environment still may exist. Testimony referenced a model based on the nationally recognized program, "Second Chance", in New Mexico. That program drew much criticism for its lack of effectiveness.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to continue discussions on this issue.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 358, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 358, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Ayes with Reservations, 2 (Gabbard, Slom). Noes, none. Excused, none.

#### **SCRep. 1286      Judiciary and Government Operations on H.B. No. 366**

The purpose of this measure is to establish fines and penalties for knowingly killing or capturing manta rays within state waters.

This measure also:

- (1) Requires that special activity permits not be issued for any take that would exceed the potential biological removal level; and
- (2) Defines "potential biological removal level".

Your Committee finds that this measure will ensure the protection of Hawaii's manta ray populations. Manta ray populations reproduce slowly, a female manta ray will take close to ten years before she has her first pup, and will contribute a single new pup only every two to three years. Around the world manta ray populations have been decimated and manta rays are targeted for shark fin soup

and controversial medicines. Due to the slow reproduction process, any taking of manta rays can affect the population for many years. Currently, there are no state laws or rules to protect Hawaii's manta ray population.

Your Committee has amended this measure by:

- (1) Requiring the Department of Land and Natural Resources to define a "take" in rules; and
- (2) Changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 366, 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. 366, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1287      Judiciary and Government Operations on H.B. No. 1537**

The purpose of this measure is to include an automated external defibrillator training program among the entities that are excluded from vicarious liability for civil damages resulting when an automated external defibrillator is administered in good faith by a Good Samaritan.

The liability exclusion provided by this measure is afforded only when the person administering the defibrillator does so in good faith, with no expectation of remuneration, and for the purpose of resuscitating a person in immediate danger of loss of life. An exception to the liability exclusion is provided when the damages result from the gross negligence or wanton acts or omissions of the person administering the automated external defibrillator.

This measure encourages the provision of education about automated external defibrillators. Your Committee finds that this measure will also increase the implementation of automated external defibrillators and lead to greater survival rates from cardiac arrest in Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1537, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1288      Ways and Means on H.B. No. 1059**

The purpose of this measure is to make the one call center pilot program permanent in order to provide excavators advance warning of any existing underground facilities.

The measure also exempts pest control operators from the program requirements for three years.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the one call center's mandatory "Call Before You Dig" program provides excavators with a single phone number to call for locating and marking underground lines, including but not limited to lines for electric, gas, telecommunications, cable, water, and sewer facilities.

Your Committee further finds the one call center program is effective in reducing damage to underground utility lines and facilities. Your Committee believes that by making the one call center program permanent, the program will continue to prevent disruptions of service to customers, reduce the costs of damage to underground facilities, and enhance the safety of excavators.

Your Committee also finds that pest control operators are required to participate in the program. Pest control operators, however, do not dig to the extent that construction and excavation companies do when treating the ground for pests. Allowing for a temporary exemption for pest control operators will serve as an appropriate test period to see whether a permanent exemption is appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1059, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1289      Ways and Means on H.B. No. 1074**

The purpose of this measure is to clarify and update various provisions of the State's Insurance Code.

Specifically, this measure:

- (1) Clarifies allowable insurer investments to meeting capital and reserve requirements;
- (2) Establishes a time limit for insurers to claim the retaliatory tax credit;
- (3) Limits the issuance of surplus lines broker licenses;
- (4) Clarifies the deposit and lapsing requirements for funds generated from the drivers education fund underwriters fee;
- (5) Clarifies that both workers' compensation and crop insurance limited adjusters' licenses require renewal by examination;

- (6) Amends continuing education requirements for licenses; and
- (7) Amends rate filings requirements to conform to the National Association of Insurance Commissioners system for electronic rate and form filing.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will ensure that Hawaii's insurance code is updated and in conformity with best practices in insurance regulation. Your Committee further finds that the amendments to the continuing education requirements will enable Hawaii to comply with the requirements of the National Association of Insurance Commissioners.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1074, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1290 (Majority) Ways and Means on H.B. No. 395**

The purpose of this measure is to improve the early learning system.

More specifically, this measure:

- (1) Prohibits public schools from moving students between junior kindergarten and kindergarten, except under certain circumstances;
- (2) Allows certain members of the Early Learning Council to be represented by a designee;
- (3) Changes the name of the keiki first steps trust fund to the early learning trust fund; and
- (4) Provides that unexpended moneys in the early learning trust fund shall not lapse to the credit of the general fund at the end of each fiscal year.

Your Committee finds that this measure improves the early learning system by ensuring that the developmental and early learning needs of the State's young children are addressed and strengthens the two-tier junior kindergarten and kindergarten program by establishing stricter criteria for moving students between tiers.

Your Committee amended this measure by:

- (1) Deleting the provision that required moneys unexpended at the end of each fiscal year to remain in the early learning trust fund, rather than lapsing to the general fund; and
- (2) Changing the effective date of the measure to June 29, 2077, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 395, 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. 395, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1291 Ways and Means on H.B. No. 426**

The purpose of this measure is to authorize the issuance of up to \$30,000,000 in special purpose revenue bonds for Honolulu Seawater Air Conditioning, LLC.

Your Committee finds that this measure will promote the development of renewable energy and efficient energy systems in Hawaii by assisting Honolulu Seawater Air Conditioning, LCC, in the design and construction of an economically feasible seawater air conditioning district cooling system in downtown Honolulu.

Your Committee notes that House Bill No. 425, H.D. 1, extends the current authorization to issue special purpose revenue bonds to assist Honolulu Seawater Air Conditioning projects on Oahu to June 30, 2014. Your Committee believes that extension of the bond authorization period by House Bill No. 425, H.D. 1, and the increase in the amount of special purpose revenue bonds that may be issued, as authorized by this measure, should be combined into one measure for consistency and to avoid unnecessary confusion.

Accordingly, your Committee has amended this measure by increasing the special purpose revenue bond authorization amount to \$77,000,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 426, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 426, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1292 Ways and Means on H.B. No. 610**

The purpose of this measure is to amend the Hawaii State Planning Act to include references to defense, dual-use, and science and technology assets to help Hawaii grow and develop these sectors of its economy.

This measure also requires the Department of Business, Economic Development, and Tourism to report annually to the Legislature on the growth of emerging growth industries in Hawaii and to develop updated measurements and analyses.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the growth of the science and technology industry in Hawaii is crucial to the State's successful development of ocean engineering, aerospace research and development, and related dual-use technologies. Your Committee believes that the State should make the expansion of these industries a priority in its planning.

Your Committee has amended this measure by changing the effective date to July 1, 2009, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 610, 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. 610, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1293 (Majority) Ways and Means on H.B. No. 739**

The purpose of this measure is to appropriate federal temporary assistance for needy families funds for various child care services, cash benefits, work training programs, teenage pregnancy prevention education programs, child protective services, and other social services programs.

The measure also transfers temporary assistance for needy families program funds to the social services block grant and the child development fund to fund programs tailored to Hawaii's neediest families.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the neediest families and individuals in our society are the most severely impacted by the current economic downturn. Your Committee believes that it is imperative to continue to expend federal temporary assistance for needy families funds to supply essential health, education, employment, and economic assistance in the most efficient and effective manner for these persons.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriations to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (3) Making technical non-substantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 739, 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. 739, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1294 (Majority) Ways and Means on H.B. No. 863**

The purpose of this measure is to create a no-interest loan revolving fund to provide loans to the counties for infrastructure improvements that support transit-oriented development.

Specifically, this measure establishes the county infrastructure development revolving loan fund to be administered by the Director of Finance. The fund will provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development, particularly those involving affordable housing and requires that the Director give first priority to projects that increase infrastructure capacity on a regional or collector system level, as opposed to those that only support capacities for a specific, limited number of properties.

The measure also allows an amount from the fund to be used for administrative expenses incurred by the Department of Finance other than day-to-day administrative expenses of projects. This measure also defines the term "infrastructure" and requires the Department of Finance to submit annual reports to the Legislature.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the creation of this revolving fund will help to spur transit-oriented development along the mass transit corridor. However, upon further consideration, your Committee has amended this measure to limit the use of the revolving fund for affordable housing infrastructure only. Accordingly, your Committee has:

- (1) Inserted language throughout the measure to specify this limited use of the revolving fund only for affordable housing infrastructure; and
- (2) Deleted language regarding giving first priority to projects that increase infrastructure capacity on a regional or collector system level, as opposed to those that only support capacities for a specific, limited number of properties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 863, 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. 863, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1295      Ways and Means on H.B. No. 989**

The purpose of this measure is to extend the Hawaii Children's Health Care Program to June 30, 2012.

The measure also requires that the Department of Human Services and any participating managed care plan report to the Legislature prior to the 2010 and 2011 Regular Sessions on the program, and also including any proposals for funding sources other than the State.

Your Committee received two written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that the purpose of Act 236, Session Laws of Hawaii 2007, was to offer health insurance to children who fall into a gap group of the uninsured. Your Committee further finds that the Department of Human Services ended its participation in the program in October 2008. Your Committee believes that this program protects the health of uninsured children by providing vital coverage for medical expenses and doctor visits. In order to sustain the program, your Committee finds that further discussion on this measure is necessary.

Accordingly, your Committee has amended this measure by:

- (1) Adding the reference to Act 239, Session Laws of Hawaii 2008, in section 1 of the bill;
- (2) Changing the amount of the appropriation to \$1; and
- (3) Changing the effective date to July 1, 2050 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 989, 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. 989, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1296      Ways and Means on H.B. No. 1057**

The purpose of this measure is to allow third parties to contribute directly to a college savings account for a designated beneficiary.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the TuitionEDGE program is a college savings program established by the State of Hawaii to assist students and parents in saving money for a college education. Your Committee finds that, currently, only the account owner is permitted to make contributions to TuitionEDGE accounts. Your Committee believes that, by allowing third parties, such as grandparents, friends, and other family members, to contribute directly to a college savings account, the TuitionEDGE program will grow and assist more families in reaching their educational goals.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1057, 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. 1057, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1297      Ways and Means on H.B. No. 1064**

The purpose of this measure is to make an emergency appropriation for the Department of Human Services, the Adult Mental Health Division of the Department of Health, and the Hawaii Health Systems Corporation to address the budget shortfall.

More specifically, this measure:

- (1) Makes an emergency appropriation of an unspecified amount to the Department of Human Services for the purpose of meeting the general fund shortfall to be used for general assistance payments for the months of April, May, and June of 2009;
- (2) Makes an emergency appropriation of an unspecified amount to the Department of Health, Adult Mental Health Division to be expended by the Department of Human Services to be used to continue the provision of services to certain adults with severe mental illness; and
- (3) Makes an emergency appropriation of \$34,600,000 to the Hawaii Health Systems Corporation to ensure that it can pay for its operations and continue to provide the current level of services.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that an emergency appropriation to the Department of Human Services is necessary to ensure that recipients of general assistance payments will not experience a decrease in benefits, which could put the recipients at risk of becoming homeless.



However, your Committee also finds that it is necessary to amend this measure to delete the appropriations to the Department of Health, Adult Mental Health Division and the Hawaii Health Systems Corporation, because they appear to exceed the scope of the title of the bill.

Your Committee has amended this measure by:

- (1) Specifying the amount of \$1 as the emergency appropriation to the Department of Human Services for the purpose of meeting the general fund shortfall;
- (2) Deleting the appropriation for the Department of Health, Adult Mental Health Division to be expended by the Department of Human Services;
- (3) Deleting the appropriation to the Hawaii Health Systems Corporation;
- (4) Changing the effective date to July 1, 2077 to promote continuing discussion on the matter; and
- (5) Making technical amendments for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1064, 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. 1064, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1298 (Majority) Ways and Means on H.B. No. 333**

The purpose of this measure is to:

- (1) Establish a refundable earned income tax credit equal to an unspecified percentage of the federal earned income tax credit for certain Hawaii residents;
- (2) Limit the interest that may be charged by a tax preparer for providing tax preparation services to clients who receive the state earned income tax credit;
- (3) Appropriate an unspecified amount from Temporary Assistance for Needy Families funds to fund the earned income tax credit; and
- (4) Appropriate an unspecified amount from general revenues to fund public service announcements to alert eligible taxpayers about the earned income tax credit.

Your Committee finds that an earned income tax credit will provide relief to low and middle income families. In addition, your Committee believes that imposing limits on the amount of interest that may be charged to prepare tax returns for taxpayers that receive the credit will protect these persons from excessive charges and ensure that they receive the maximum benefit from the state tax credit.

Your Committee has amended this measure by:

- (1) Appropriating funds from the federal funds allocated by the American Recovery and Reinvestment Act of 2009 or other federal stimulus acts, instead of from general revenues, to fund public service announcements related to the earned income tax credit;
- (2) Changing the amount of the appropriations to \$1; and
- (3) Changing the effective date to July 1, 2090, to facilitate further discussion; and
- (4) Repealing this measure on July 1, 2011.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 333, 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. 333, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1299 Ways and Means on H.B. No. 694**

The purpose of this measure is to authorize any of the regional systems or individual facilities of the Hawaii Health Systems Corporation (Corporation) to transition into a new legal entity.

This measure further requires:

- (1) Each regional system board and each community hospital under the jurisdiction of the Corporation to collaborate with community health centers within their respective geographic jurisdictions to maximize funding from the State and federal governments;
- (2) Any plan to substantially reduce or eliminate any direct patient care services at a facility to be presented first to the regional system board for approval and then to the community at an informational hearing to gather input;
- (4) The Corporation and each regional system board to notify the President of the Senate, the Speaker of the House of Representatives, and Chairperson of the respective subject matter committee for health in each chamber of the Legislature within thirty days of any substantial reduction or elimination of direct patient care services;

- (5) The Department of Health, on July 1, 2009, to assume the total amount of all liabilities and debts or other obligations of the Hawaii Health Systems Corporation that had been accrued up to June 30, 1996, by the community hospitals while they were operating within the Division of Community Hospitals of the Department of Health;
- (6) The Hawaii Health Systems Corporation to bear the sole responsibility for assuming all liabilities and debts or other obligations accrued beginning on July 1, 1996, and thereafter, by the community hospitals operating within the Hawaii Health Systems Corporation; and
- (7) Commercial health plans to provide a minimum reimbursement level of no less than one hundred and one per cent of the costs for all services provided to plan beneficiaries by critical access hospitals.

This measure also requires the Hawaii Health Systems Corporation to bear sole responsibility for making all appropriate employer payments into funds of the Employees' Retirement System beginning on July 1, 1996. Finally, the measure authorizes the Corporation to conduct criminal history record checks for its employees, contractors, providers, and volunteers.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure is necessary to rectify flaws in the basic operating structure of public health facilities that are critical for the continued health and well being of all residents of the State.

Your Committee has made technical amendments for the purposes of accuracy, consistency, and clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 694, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 694, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Fukunaga).

**SCRep. 1300 (Majority) Ways and Means on H.B. No. 1098**

The purpose of this measure is to:

- (1) Apply assistance allowance calculations based on standard of need to general assistance payments for households without minor dependents;
- (2) Place a twenty-four-month limit on general assistance to persons between eighteen and sixty-five years of age with a disability;
- (3) Provide that any month in which a person receives assistance pending an eligibility determination for the federal Supplemental Security Income Program or successor program shall not be counted toward the twenty-four-month limit;
- (4) Require the Department of Human Services to refer general assistance recipients to the aid to the aged, blind, and disabled program after twelve months or upon the recipient turning sixty-five years old; and
- (5) Convert the funding mechanism for general assistance from a block grant to an entitlement.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the general assistance program represents a critical safety net that should provide dependable financial assistance to certain disabled persons who lack other means of financial support.

Upon further consideration, your Committee has amended this measure by making technical and conforming amendments and by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1098, 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. 1098, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1301 (Majority) Ways and Means on H.B. No. 1284**

The purpose of this measure is to appropriate funds to increase payments to physicians for medicaid-eligible persons.

More specifically, this measure:

- (1) Appropriates an unspecified amount to increase payments for physician services for the care of medicaid-eligible persons, including fee-for-service, QUEST physician services, and the QUEST expanded care program, and specifies how the funds appropriated shall be distributed by the Department of Human Services;
- (2) Requires the Department of Human Services to include in its supplemental budget request for fiscal year 2010-2011 a sum at least equal to the amount appropriated in this measure; and
- (3) Requires the Department of Human Services to submit a report to the Legislature no later than twenty days prior to the convening of the regular session of 2010.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will help improve the State's health care system by increasing the amounts paid the providers of essential health care services.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to \$1; and
- (2) Changing the effective date to July 1, 2077,

to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1284, 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. 1284, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1302      Ways and Means on H.B. No. 1354**

The purpose of this measure is to appropriate funds for the healthy start and the enhanced healthy start programs.

More specifically, this measure:

- (1) Appropriates general funds in the amount of \$7,740,000 for fiscal years 2009-2010 and 2010-2011, to maintain the current support services provided by the healthy start program;
- (2) Appropriates temporary assistance for needy families funds in the amount of \$1,660,000 for fiscal years 2009-2010 and 2010-2011 to maintain current support services provided by the healthy start program; and
- (3) Appropriates temporary assistance for needy families funds in the amount of \$3,800,000 for fiscal years 2009-2010 and 2010-2011, for the enhanced healthy start program to hire a child development specialist or clinical specialist and to train healthy start and enhanced healthy start providers to continue delivering services that are currently provided.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the healthy start and enhanced healthy start programs provide important services to at-risk families. Your Committee believes that the current economic crisis is likely to increase stress on families and that parents and children will need the support provided by the healthy start and enhanced healthy start programs. Your Committee further finds that these programs play an important role in preventing child abuse and neglect.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Changing the effective date to July 1, 2077, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1354, 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. 1354, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, none.

**SCRep. 1303      Ways and Means on H.B. No. 1471**

The purpose of this measure is to establish a food certification pilot program to benefit farmers throughout the State.

Specifically, this measure:

- (1) Establishes the food certification pilot program to be managed by the Department of Agriculture, with the assistance by the Department of Health;
- (2) Establishes the food certification pilot program special fund within the state treasury to support the program;
- (3) Requires the pilot program to:
  - (A) Encourage farmers to form agricultural cooperatives;
  - (B) Coordinate purchasing agreements between the cooperatives and hotels, restaurants, and other hospitality related businesses; and
  - (C) Develop and implement a "safe" food certification for products to promote fresh, high-quality, and locally grown produce; and
- (4) Appropriates funds for the pilot program.

Your Committee received three written comments on this measure. Written comments may be reviewed on the Legislature's website.

News reports over the past couple of years have highlighted the need for the agricultural industry to improve food safety practices due to increasing incidence of bacteria, such as salmonella, found in agricultural products. Your Committee finds that food safety is critical to the State's food supply and world renowned reputation as a high-quality producer of agricultural products and that this measure will provide protection to the agriculture, tourism, restaurant, and retail industries. Furthermore, although the Department of Agriculture has a long history of supporting the purchase of local fresh foods, your Committee believes this measure will increase the growth and sale of safe locally-grown produce by developing a safe food certification process.

Your Committee has amended the measure by:

- (1) Requiring the Department of Agriculture to certify the produce of at least one hundred farmers each year;
- (2) Appropriating \$1 for the food certification pilot program to promote continuing discussion on the matter; and
- (3) Requiring that the pilot program sunsets in two years.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1471, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1471, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1304 (Majority) Ways and Means on H.B. No. 1525**

The purpose of this measure is to require all Medicaid health care insurance contracts to be awarded only to nonprofit and for-profit entities that comply with annual reporting requirements.

Specifically, this measure requires potential nonprofit and for-profit bidders for contracts to propose certified audit reports that must be submitted to the Department, the Insurance Commissioner, and the Legislature and be accessible to public. The report must include items such as percentages of revenue paid for medical services and administrative costs, held in reserves, and paid to shareholders. The report must also include the number of employees and their pay, contracts outside the State, and a description of any civil or criminal proceedings brought against the bidder.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the disclosures required by this measure will help improve access to and the delivery of affordable, quality health care services to consumers.

Upon further consideration, your Committee has amended this measure by making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1525, 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. 1525, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1305 Ways and Means on H.B. No. 1831**

The purpose of this measure is to establish a military liaison trust fund to support a nonprofit entity to serve as liaison with the military in Hawaii.

Your Committee finds that the presence of the military in Hawaii contributes to the maintenance of peace and stability in the Asia-Pacific region. The military is also one of the largest sources of revenue for the State. Your Committee believes that it is important to provide support to a nonprofit entity that will serve as liaison in matters relating to the military. However, your Committee emphasizes that it is the intent of the Committee that the liaison serve the business community only and not be seen as a gatekeeper. Further, your Committee intends that the moneys used to fund the military liaison trust fund be from federal and private sources only, and not the State.

Your Committee has amended this measure by:

- (1) Deleting the appropriation provision; and
- (2) Amending the effective date to July 1, 2077, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1831, 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. 1831, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1306 Ways and Means on H.B. No. 975**

The purpose of this measure is to allow the Agribusiness Development Corporation to acquire agricultural water systems.

Specifically, this measure:

- (1) Allows the Agribusiness Development Corporation to acquire by grant, purchase, or gift the real, personal, or mixed property comprising an agricultural water system;
- (2) Requires the owner of the agricultural water system acquired by the corporation to describe the system in a manner that meets recording requirements, including a map containing a metes and bounds description; and
- (3) Exempts the conveyance of agricultural water systems to the corporation from county subdivision requirements.

Your Committee received three written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that this specific authorization to the Agribusiness Development Corporation to acquire agricultural water systems, including by gift, will assist it in providing much needed irrigation to agricultural lands. The further exemption of these assignments from county subdivision requirements will greatly expedite this process and result in the savings of time and money.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 975, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1307      Ways and Means on H.B. No. 142**

The purpose of this measure is to exempt the general excise tax and use tax on fuel sold from a foreign-trade zone by a common carrier for use in inter-island air transportation.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that inter-island air transportation is vital for businesses and residents of the State. As the only island state in the nation, transportation within the State is limited to air and sea. With the absence of a commuter ferry system, passenger travel, unlike cargo and freight, is exclusively by air.

Your Committee also finds that air transportation costs have a direct effect on tourism and the economy. The high cost of inter-island travel creates a barrier for visitors and residents to visit neighbor islands, reducing the amount of commerce for businesses, services, and accommodations. Your Committee believes that exempting the general excise tax and use tax on inter-island jet fuel will benefit consumers and the State.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 142, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1308      (Majority) Ways and Means on H.B. No. 343**

The purpose of this measure is to appropriate funds to support rural primary health care services by expanding the Family Medicine Residency program at the John A. Burns School of Medicine and developing a permanent statewide rural primary health care program in each county, beginning in Hawaii County.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that there is a shortage of basic health care services and preventive care services available to residents in rural areas of the State. Your Committee believes that it is important to develop programs that will increase access to primary care and family physicians in underserved areas of the State.

Your Committee has amended this measure by changing the amount of the appropriation to \$1 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 343, 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. 343, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Hemmings). Excused, 1 (Fukunaga).

**SCRep. 1309      Ways and Means on H.B. No. 1504**

The purpose of this measure is to establish the Hawaii Health Authority to develop a comprehensive health plan for delivering universal health care in Hawaii.

Your Committee received ten written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the rising costs of health care in Hawaii are rapidly outpacing the ability of individuals and employers to pay for health insurance and health care services. This has resulted in an increasing number of individuals in Hawaii that do not have health insurance and cannot afford medical care. Your Committee further finds that all residents of Hawaii should have access to affordable health care and the development of a comprehensive universal health care plan is the first step toward accomplishing this goal.

Your Committee has amended this measure by changing the amount of the appropriation to \$1 to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1504, 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. 1504, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1310      Ways and Means on H.B. No. 1491**

The purpose of this measure is to reduce the aggregate annual cap on the ethanol facility tax credit from \$12,000,000 to \$8,000,000 from July 1, 2011 through December 31, 2012.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that while the ethanol facility tax credit provides an incentive for the construction and development of ethanol facilities in the State, a temporary reduction in the aggregate annual cap of the tax credit may help to ensure fiscal stability during the current economic recession. Your Committee does not believe that this temporary reduction will curtail ethanol production in the State.

Your Committee has amended this measure by changing the effective date to July 1, 2090, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1491, 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. 1491, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1311      Ways and Means on H.B. No. 1015**

The purpose of this measure is to enable the Department of Hawaiian Home Lands to begin housing projects without having the full cost of the project on hand, by amending the law controlling trust fund expenditures to allow the Department of Hawaiian Home Lands to incur obligations exceeding the amount in the Department's trust fund, subject to conditions that the Director of Finance deems necessary when:

- (1) The Director of Finance determines that trust fund will be receiving moneys enabling payment of the entire obligation within a reasonable time; and
- (2) The expenditure is approved by the Governor.

Two government agencies submitted comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure would allow the Department of Hawaiian Home Lands to reduce project costs and maximize revenues. It would also bring the development of the Department's projects more in-line with private industry standards that allow contractors to be bonded and to proceed with construction projects in phases. However, your Committee believes that it is reasonable and advisable to initiate a two-year pilot project to allow for a determination of the effectiveness and economic impact of enabling the Department of Hawaiian Home Lands to commence with the construction of housing projects without having the full cost of the project on hand at the start of the projects.

Your Committee has amended this measure by:

- (1) Making the provisions of the measure temporary, for a two-year period, by repealing the measure on June 30, 2011; and
- (2) Requiring the Department of Hawaiian Home Lands to submit an interim and final report to the Legislature prior to the 2010 Regular Session and 2011 Regular Session.

Your Committee recognizes that while the text of this measure contains no specific mention of affordable housing, your Committee intends that the procedures authorized by this measure be used solely to expedite affordable housing projects, as represented in the comments submitted in support of the measure. Your Committee intends to follow-up on this issue during Conference.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1015, 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. 1015, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1312 Ways and Means on H.B. No. 1451**

The purpose of this measure is to extend the technology infrastructure renovation tax credit, high technology business investment tax credit, and tax credit for research activities to December 31, 2012.

The measure also:

- (1) Establishes a limit of \$10,000,000 on the aggregate of high technology business investment tax credits that may be claimed by taxpayers in a taxable year for investments in a single qualified high technology business;
- (2) Establishes a limit of \$100,000,000 on the aggregate of high technology business investment tax credits claimed in a taxable year by all taxpayers for investments in qualified high technology businesses for each of the following periods:
  - (A) From July 1, 2009, through December 31, 2009;
  - (B) From January 1, 2010, through December 31, 2010;
  - (C) From January 1, 2011, through December 31, 2011; and
  - (D) From January 1, 2012, through December 31, 2012
- (3) Clarifies that if a recapture event occurs during the five-year period applicable to the high technology business investment tax credit, then one hundred per cent of the tax credit is disallowed in the year of the recapture event and each year thereafter during the five-year period;
- (4) Requires a qualified high technology business that constitutes a "drop-down subsidiary" to obtain a comfort letter ruling from the Department of Taxation prior to qualifying for the high technology business investment tax credit; and
- (5) Extends the date of the repeal and reenactment of Act 206, Session Laws of Hawaii 2007, relating to evaluating the high technology business investment tax credit from January 1, 2011, to January 1, 2013.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the technology infrastructure renovation tax credit has gone virtually unused and should be repealed. Your Committee also finds that the high technology business investment tax credit and the tax credit for research activities have proven very costly to the State in terms of tax revenue. However, these tax credits have also generated investment in Hawaii's economy. Therefore, your Committee believes that it is advisable to neither repeal nor extend these tax credits at this time. Your Committee also believes it is reasonable to require high technology businesses to increase their workforce, thereby aiding the State's economy by creating jobs, in order to continue claiming the high technology business investment tax credit.

Your Committee has amended this measure by:

- (1) Requiring a high technology business to increase its workforce to continue claiming the tax credit for research activities;
- (2) Deleting the extensions of time to claim the high technology business investment, research activities, and technology infrastructure renovation tax credits;
- (3) Deleting the extension of the date of repeal and reenactment of Act 206, Session Laws of Hawaii 2007;
- (4) Repealing the technology infrastructure renovation tax credit;
- (5) Changing the effective date of this measure to July 1, 2090, to facilitate further discussion on the measure; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1451, 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. 1451, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1313 Ways and Means on H.B. No. 1782**

The purpose of this measure is to establish the Office of the State Coordinator of Health Information Technology.

The office would:

- (1) Leverage federal stimulus funds to improve health care delivery systems;
- (2) Assist applicants with grant proposals to the Office of the National Coordinator of Health Information Technology and for medical information and health care information technology training;
- (3) Develop a plan for integrated electronic health information infrastructure between public and private stakeholders in the State;
- (4) Work with certain state agencies and health care providers to ensure compliance with patient privacy laws; and
- (5) Assist patients in using health information technology.

In addition, this measure establishes the Health Information Exchange Task Force to advise the State Coordinator of Health Information Technology in developing a five-year strategic plan for the office to accelerate the planning of the State's health information exchange system. The measure also appropriates an unspecified amount for the office.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the exchange of health information technology is a cost-efficient tool that increases the effective delivery of health care. Your Committee finds that because both public and private entities are the custodians of health care information, an effective health information exchange will require partnerships between public and private stakeholders in the health care industry. Your Committee believes that the availability of federal stimulus funds for developing health information technology will be a key component in the development of an improved health information exchange system.

Your Committee has amended this measure by:

- (1) Removing the appropriation; and
- (2) Making a technical amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1782, 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. 1782, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1314 (Majority) Ways and Means on H.B. No. 984**

The purpose of this measure is to establish the Hawaii Broadband Commissioner to implement recommendations of the Hawaii Broadband Task Force.

Specifically, this measure:

- (1) Establishes the Hawaii Broadband Commissioner within the Department of Commerce and Consumer Affairs;
- (2) Establishes the Communications Advisory Committee with an unspecified number of members, to be appointed by the Governor and which shall advise the Commissioner, telecommunications carriers, and cable operators;
- (3) Transfers regulatory functions relating to telecommunications providers' services from the Public Utilities Commission to the Hawaii Broadband Commissioner;
- (4) Transfers regulatory functions relating to cable operators from the Cable Television Division of the Department of Commerce and Consumer Affairs to the Hawaii Broadband Commissioner;
- (5) Requires a cable operator to designate three or more channels for public, educational, or governmental use;
- (6) Authorizes the Hawaii Broadband Commissioner to adopt rules, pursuant to chapter 91, Hawaii Revised Statutes, relating to the designation of public, educational, or governmental access organizations;
- (7) Exempts contracts between the Commissioner and PEG access organizations for PEG access services from the Hawaii State Procurement Code;
- (8) Establishes the commissioner special fund to be administered by the Hawaii Broadband Commissioner, to fund the operations and programs of the Hawaii Broadband Commissioner;
- (9) Requires the Hawaii Broadband Commissioner to designate an entity to develop and maintain broadband inventory maps, consistent with federal law;
- (10) Authorizes the Hawaii Broadband Commissioner to apply for and expend federal economic stimulus funds for broadband-related projects;
- (11) Transfers four existing positions from the Cable Television Division of the Department of Commerce and Consumer Affairs and establishes up to ten new temporary exempt positions in the Hawaii Broadband Commissioner;
- (12) Requires the Hawaii Broadband Commissioner to convene a work group to develop procedures for streamlined permitting functions for broadband service and technology and requires the work group to report its findings to the Legislature;
- (13) Requires the Legislative Reference Bureau to review Hawaii laws relating to broadband and related subjects and recommend amendments of these laws to conform to the new Hawaii Broadband Commissioner law or to facilitate implementation of that law; and
- (14) Takes effect on July 1, 2050.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee further finds that the inextricably linked nature of telecommunications, cable, and broadband technologies necessitates a unified approach to regulating these services. Your Committee finds that this measure will enable the consolidated regulation of cable and telecommunications while also promoting the development of broadband infrastructure throughout the State. Your Committee believes that widespread access throughout Hawaii to affordable and reliable high-speed broadband will create



greater economic and educational opportunities for individuals and businesses in the State and will make Hawaii a technological leader in the Pacific Rim.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to \$1 to facilitate further discussion; and
- (2) Making technical non-substantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 984, H.D. 4, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 984, H.D. 4, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1315 Ways and Means on H.B. No. 300**

The purpose of this bill is to appropriate funds for the operating and capital improvement costs of the Judiciary for the fiscal biennium from July 1, 2009, through June 30, 2011.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Governor's financial plan, as presented to the Legislature in December 2008, characterized the entire judicial branch of government as "discretionary" and proposed reducing its general fund operating budget by a full twenty per cent. The Judiciary did not agree with the Governor's plan and, in fact, presented the Legislature with a request for increases to their general fund budget of \$7,023,237 in fiscal year 2009-2010 and \$10,105,072 in fiscal year 2010-2011.

In an attempt to meet the Governor's target reduction amount of twenty per cent, the House of Representatives reduced the Judiciary's general fund appropriation request by nearly \$40,000,000, as reflected in H.B. No. 300, H.D. 1.

Concerned with the significant reduction to the Judiciary's budget proposed by the Governor and endorsed by the House, the Committee on Judiciary and Government Operations restored \$20,000,000 of the proposed general fund reduction of \$40,000,000, as well as the total requested budget for capital improvement projects.

Your Committee likewise recognizes the damage to the operations of the court system that would occur under the Governor's proposed budget for the Judiciary. Therefore, your Committee believes that the operating portion of this measure should be adopted unamended.

Your Committee further finds that it is crucial for the State to continue to be supportive of the provision of necessary funding for repair, maintenance, and improvements for Judiciary facilities. Additionally, your Committee is mindful that the provision of such funding will help to ensure the infusion of funds and the creation of new jobs, which are immediate priorities for the State. However, your Committee believes that it is important to closely monitor the economy in conjunction with the needs and abilities of the Judiciary to undertake capital projects in fiscal year 2009-2010 prior to making funding decisions for fiscal year 2010-2011. Therefore, your Committee has amended the measure by removing appropriations for capital projects for fiscal year 2010-2011, with the intention of revisiting the matter during the next regular session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 300, 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. 300, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Hee, Hooser).

**SCRep. 1316 Ways and Means on H.B. No. 900**

The purpose of this bill is to appropriate funds for the operating and capital improvement budget of the Office of Hawaiian Affairs for the fiscal biennium July 1, 2009, through June 30, 2011.

Your Committee received two comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee has provided full funding for all of the Office of Hawaiian Affairs's operating-budget initiatives through the appropriation of trust funds. In total, the Office of Hawaiian Affairs's budget is \$38,587,075 in trust fund moneys for the first fiscal year, and \$38,169,075 in trust fund moneys for the second fiscal year of the upcoming biennium.

The budget for the Office of Hawaiian Affairs has remained relatively stable over the past several years. Realizing the sacrifice being made by all departments in light of the current economic situation, the Office of Hawaiian Affairs has submitted testimony in support of a twenty per cent reduction to its operating budget.

The Office of Hawaiian Affairs has over \$300,000,000 in trust funds for its use, and receives annual payments from the State of no less than \$15,100,000. In addition, the Office of Hawaiian Affairs received a sum of \$2,030,000 in the *Hokuli'a* lawsuit for legal fees (*Kelly v. Oceanside*). The State has allowed the Office of Hawaiian Affairs to retain the entire settlement and to collect interest on the principal amount awarded. Rather than requiring the State to claim its share of the settlement money, your Committee recommends that the money be retained by the Office of Hawaiian Affairs as a one-time infusion of funds to support the continuation of the Office of Hawaiian Affairs's programs in fiscal year 2010.

There exists for the Office of Hawaiian Affairs a fiscal reserve account for one-time or emergency expenses. Your Committee finds that if the Office of Hawaiian Affairs is temporarily unable to maintain its current level of services with the maximum number of

dollars that may be spent from its trust fund, the Office of Hawaiian Affairs could use the account until the return on its trust fund improves.

Your Committee recognizes the importance of the services and advocacy the Office of Hawaiian Affairs provides its beneficiaries, the need to ensure that the Office of Hawaiian Affairs has the resources to continue providing these services, and the need for the Office of Hawaiian Affairs to be financially prudent and to use all available financial resources wisely. Accordingly, your Committee finds that the Office of Hawaiian Affairs is able to support its activities and contracts through the use of its trust fund. Your Committee has appropriated trust fund moneys to completely fund the budgeted expenditures of the Office of Hawaiian Affairs for the upcoming biennium.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 900, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 900, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hee).

**SCRep. 1317 Ways and Means on H.B. No. 1728**

The purpose of this measure is to remove administrative agencies' authority to establish fees and to replace that authority with statutory fees.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure addresses concerns raised in the Hawaii Supreme Court's decision in *Hawaii Insurers Council v. Lingle* that found certain administrative fees to be a form of taxation, thus violating the separation of powers clause of the Hawaii Constitution. Establishing these fees legislatively by statute rather than by administrative rule avoids conflict with the separation of powers doctrine, while also making administrative fees uniform.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1728, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1318 Ways and Means on H.B. No. 1686**

The purpose of this measure is to clarify the functions, duties, and roles of the Charter School Review Panel and the Board of Education in the administration and operation of charter schools.

Specifically, this measure:

- (1) Requires charter school boards to comply with Board of Education policies and Department of Education directives regarding special education and federal programs;
- (2) Clarifies that the Charter School Review Panel is subject to the requirements of the sunshine law;
- (3) Authorizes the Board of Education to remove a Charter School Review Panel member for cause;
- (4) Requires the Charter School Review Panel to approve the charter schools' all means of finance budget, capital improvement projects budget, and recommendations to allocate non-per-pupil facilities funds to charter schools with facilities needs;
- (5) Specifies the duties of the Executive Director of the Charter School Administrative Office with regard to the preparation of the budget and a separate capital improvement projects budget;
- (6) Changes the requirements for per-pupil funding;
- (7) Changes the percentage amount that the Department of Education may retain for administrative costs for federal funds received by charter schools to an unspecified percentage; and
- (8) Requires the Charter School Review Panel to evaluate a charter school on its fourth anniversary and every five years thereafter.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure provides the additional reform necessary to allow charter schools to continue to strive for excellence through the effective and efficient administration of school operations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1686, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Ayes with Reservations, 1 (Kidani). Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1319 Ways and Means on H.B. No. 1776**

The purpose of this measure is to improve the efficiency of enforcing the public assistance law with respect to inmates who are no longer eligible to receive public assistance.

More specifically, this measure requires:

- (1) The Department of Public Safety, beginning January 31, 2010, to provide the Department of Human Services with monthly reports listing newly admitted inmates;
- (2) The Department of Human Services to identify each inmate's current status regarding the receipt of public assistance;
- (3) The continuation of public assistance for the duration of the inmate's incarceration for inmates who are sentenced to incarceration in a public institution for not more than thirty days; and
- (4) That public assistance be terminated for inmates who are sentenced to incarceration in a public institution for more than thirty days.

Your Committee received one written comment on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that this measure will aid in preventing inmates from receiving public assistance that they are not entitled to and that reducing the time that an incarcerated inmate can receive public assistance is fiscally prudent and good public policy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1776, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1320 Ways and Means on H.B. No. 1103**

The purpose of this measure is to conform state law to the federal Rehabilitation Act of 1978 by repealing the statute establishing the Statewide Council on Independent Living.

Your Committee received four written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that federal law requires the State to establish a Statewide Independent Living Council for it to be eligible to receive federal financial assistance. The established entity, however, cannot be established within a state agency.

Your Committee also finds that section 348-9, Hawaii Revised Statutes, establishes a Statewide Council on Independent Living within the Department of Human Services. While the current law was well-intended, it is unnecessary and has called the State's eligibility for federal funds into question. The Statewide Independent Living Council can instead be established as part of the Title VII State Plan that each state must have in place to receive federal funds. Your Committee believes that conforming state law to meet federal requirements will ensure that the State continues to receive federal funds for these vital assistance programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1103, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1321 Ways and Means on H.B. No. 381**

The purpose of this measure is to amend the date on which a \$4,000,000 appropriation to the State of Hawaii endowment fund is to lapse and add a stipulation regarding pledges that are not collected by February 28, 2013.

More specifically, Act 97, Session Laws of Hawaii 2006, section 2, as amended by Act 156, Session Laws of Hawaii 2007, section 1, appropriated out of the general revenues of the State of Hawaii the sum of \$4,000,000 to the State of Hawaii endowment fund, and required any unexpended or unencumbered balances to lapse on June 30, 2009. This measure deletes the lapse date of June 30, 2009, and imposes a stipulation that all pledges or portions of pledges not collected by February 28, 2013, will cause any unexpended balance from the appropriation to revert to the general fund.

Your Committee finds that in consideration of the State's current fiscal crisis, it is prudent to replace the June 30, 2009, lapsing date with a provision that stipulates that the uncollected pledges shall cause any unexpended balance of the appropriation to revert to the general fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 381, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1322 (Majority) Ways and Means on H.B. No. 611**

The purpose of this measure is to require the Department of Taxation and the Department of Business, Economic Development, and Tourism to compile necessary information to enable the Legislature to evaluate the numerous tax credits and exemptions provided under existing state law to determine whether each tax credit or exemption is meeting the purpose for which it was established and whether each should be amended, repealed, or allowed to be extended with a sunset date.

Specifically, this measure:

- (1) Adds a new part to chapter 235, Hawaii Revised Statutes, to clarify the application of the capital goods excise tax credit on property eligible for the capital goods excise tax credit that is placed in service in taxable years beginning after December 31, 2011;
- (2) Suspends the capital goods excise tax credit to any taxpayer for taxable years beginning on or after July 1, 2009, and ending on or before December 31, 2011;
- (3) Amends section 235-20, Hawaii Revised Statutes, allowing moneys in the tax administration special fund to be used for compiling usage and other relevant data to analyze the costs and benefits of state tax laws;
- (4) Adds to amounts not taxable under section 237-24, Hawaii Revised Statutes, amounts received from the loading, transportation, and unloading of agricultural products shipped for a producer on one island in the State to another person on another island in the State; and
- (5) Requires the Department of Taxation and Department of Business, Economic Development, and Tourism, in each of the next four years, to perform an evaluation of certain specified tax credits and tax exemptions for each year and submit to the Legislature, twenty days prior to the convening of each regular session of 2010 through 2013, a report on the tax credits and tax exemptions subject to review for that year, that shall provide usage and revenue data, economic analysis, and other information sufficient for the Legislature to determine whether the tax credits and tax exemptions evaluated have or are achieving their intended objectives and whether they should be continued, modified, or repealed. If, in any year the Department of Taxation, with the assistance of the Department of Business, Economic Development, and Tourism, does not submit to the Legislature a complete and accurate evaluation on a particular tax credit or tax exemption by no later than the twenty days prior to the next regular session when first originally due, that particular tax credit or tax exemption shall not be available to be claimed after the end of the tax year when the report was first due.

Your Committee received six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that in these troubled economic times with projected reductions in revenues, it is incumbent upon the Legislature to thoroughly evaluate existing tax credits and tax exemptions to ensure that they are fulfilling the intended particular purposes for which the tax credits or exemptions were adopted-for the benefit for Hawaii's economy. This measure institutes an ongoing program of evaluation of tax credits and tax exemptions by the Legislature that will determine whether a tax credit or tax exemption should be modified, repealed, or allowed to continue, with or without an appropriate sunset provision.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 611, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Hemmings). Excused, none.

**SCRep. 1323      Ways and Means on H.B. No. 986**

The purpose of this measure is to require renovations of public school buildings to meet energy efficiency and environmental standards.

More specifically, this measure:

- (1) Adds energy efficiency and environmental standards to achieve high performance classrooms as a criterion that may be used to establish current repair and maintenance requirements for state educational facilities;
- (2) Requires the Superintendent of Education to ensure that all repair and maintenance projects follow the required energy efficiency and environmental standards;
- (3) Requires the renovation of state buildings and facilities to meet the Leadership in Energy and Environmental Design silver or two green globes rating or similar guideline, standard, or system;
- (4) Adds energy efficiency and environmental standards as a basis of the Department of Education's six-year program and financial plan for school repair and maintenance; and
- (5) Requires that consideration be given to energy efficiency and environmental standards when prioritizing a school's repair and maintenance needs.

Your Committee received two written comments on this measure. Written comments may be reviewed on the Legislature's website.

Your Committee finds that energy efficiency is critical to protecting the environment and reducing the energy costs incurred by public school facilities. Electrical and energy savings from efficient public school buildings would decrease energy costs, promote new technology, and set an example for other public and private entities to implement energy efficiency and high performance buildings and reduce energy consumption. Your Committee also finds that proper maintenance of public school buildings is critical to the health and well-being of Hawaii's students.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1324 (Majority) Ways and Means on H.B. No. 1766**

The purpose of this measure is to support the continued development and maintenance of ocean recreation activities provided by state small boat harbors.

Specifically, this measure:

- (1) Extends the maximum term of any lease disposition of public lands in state boating facilities to sixty-five years;
- (2) Allows up to fifteen per cent of moorings in Ala Wai boat harbor and thirty-five per cent of moorings in Keehi boat harbor to be issued for commercial use permits;
- (3) Requires future moorage fees to be based upon appraisal by a state-licensed appraiser, with present moorage fees in schedule A and new moorage fees established in schedule B; and provided further, that the schedule A moorage fees shall be increased by the same amount each year so schedule A moorage fees shall equal schedule B moorage fees by July 1, 2014;
- (4) Allows the Department of Land and Natural Resources to assess and collect utility fees and common area maintenance fees in small boat harbors; and
- (5) Directs the Department of Land and Natural Resources to lease certain fast lands at Ala Wai harbor using the request for proposals process for a public-private development, management, and operation of areas of Ala Wai harbor.

Your Committee received thirty-one written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that small boat harbors throughout the State are a valuable resource that makes ocean recreational opportunities available to all residents. However, the harbors have been neglected in the recent past and, with the looming budget deficits projected for the near future, this neglect could continue and increase. Your Committee finds that many of the provisions of this measure, particularly those providing commercial permits at Ala Wai and Keehi boat harbors, increasing future mooring fees by appraisal, and the proposed public-private development of certain areas in the Ala Wai harbor, should ease budget constraints on small boat harbors throughout the State.

Your Committee has amended this measure by changing its effective date to July 1, 2046, to allow further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1766, 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. 1766, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Hemmings). Excused, 2 (English, Fukunaga).

**SCRep. 1325 Ways and Means on H.B. No. 1712**

The purpose of this measure is to prevent the depletion of certain species of aquatic resources that are popular sources of recreational taking and consumption.

Specifically, this measure:

- (1) Requires the Department of Land and Natural Resources to consider and incorporate, in addition to information it receives at on-going public informational meetings, available and relevant data in the adoption of new rules regulating the taking of uhu, weke/moana kali, and ulua/papio;
- (2) Requires the Department of Land and Natural Resources to adopt appropriate monitoring and evaluation criteria to determine the effects of the rules it adopts regulating uhu, weke/moana kali, and ulua/papio;
- (3) Makes it unlawful to take or harvest any of the four species of opihi that inhabit the Hawaiian Islands:
  - (A) At any time from any coastal area or nearshore waters of off-shore islets in the State;
  - (B) At any time from below the waterline of any coastal area or nearshore waters of the islands of the State;
  - (C) From above the waterline of any coastal area or nearshore waters of the State during the closed season from February 1 through May 31, and September 1 through November 30;
  - (D) In an amount greater than one quart of opihi with shells attached or one half pint of opihi without shells attached, per day during the open seasons; and
  - (E) At any time from the coastal areas or nearshore waters of the island of Oahu;

provided that restrictions on the taking or harvesting of opihi shall not affect any right customarily and traditionally exercised for subsistence, cultural, and religious purposes by native Hawaiian ahupua'a tenants;
- (4) Provides that the taking and harvesting of opihi within the Kahoolawe Island Reserve shall be governed by the Kahoolawe Island Reserve Commission;
- (5) Imposes a limit of a minimum size of ten inches and a daily bag limit on the taking of not more than two kumu, two moano ukali, and two munu on the island of Maui; and
- (6) Imposes a limit of a minimum size of twelve inches and a daily bag limit of two uhu on the island of Maui.

Your Committee received thirty-four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that for a variety of reasons, including but not limited to runoff, sedimentation, pollution, the lack or profusion of fresh water intrusion into the marine ecosystem, overharvesting, and the introduction of invasive species, many vital marine species are threatened with irreversible damage. These species are vital for cultural, traditional, and religious practices of native Hawaiians and are also vital for recreational taking practices and for consumption, in some cases for subsistence purposes. The protection and preservation of these marine species is necessary for the benefit of today's residents and future generations of the State.

Your Committee has amended this measure by:

- (1) Providing that restrictions on opihi in section 4 shall take effect on June 1, 2014, and be repealed on August 31, 2014; and
- (2) Changing its effective date to July 1, 2046, to allow for further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1712, 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. 1712, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1326 (Majority) Ways and Means on H.B. No. 1552**

The purpose of this measure is to encourage the development of living parks within state parks.

Specifically, this measure:

- (1) Authorizes the Department of Land and Natural Resources to issue long-term residential leases to qualified persons residing within a state living park; and
- (2) Establishes, within the Department of Land and Natural Resources, a living park planning council for each state living park.

Your Committee received two written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that living parks within state parks allow individuals to reside within the state park as an essential part of the purpose of the living park, to nurture and foster native Hawaiian culture and spread knowledge of its values and ways.

However, to ensure the success of a state living park, it is essential not only that qualified residents be issued long-term residential leases to reside within the state living park, but also that the development of each living park be based upon a master plan that establishes goals and objectives and identifies and develops programs to enhance educational opportunities and cultural awareness in the living park. Such a master plan would require the participation and input from representative of families residing with the state park and also persons possessing expertise in land use laws, land use and community-based planning, the environment, and native Hawaiian culture. Establishing a living park planning council comprised of such persons for each state living park will fulfill this requirement.

Your Committee has amended this measure by changing its effective date to allow further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1552, 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. 1552, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Hemmings). Excused, 2 (English, Fukunaga).

**SCRep. 1327 Ways and Means on H.B. No. 1464**

The purpose of this measure is to add to or clarify a number of provisions in the Hawaii Revised Statutes to encourage energy efficiency and the development of renewable energy resources.

Specifically, this measure:

- (1) As of July 1, 2009, prohibits an electricity-generating public utility from adding a new, or increasing the capacity of an existing, covered source with a capacity of two megawatts or more using fossil fuel sources;
- (2) As of January 1, 2015, prohibits the inclusion of electrical energy savings in determining conformance with renewable energy portfolio standards required by section 269-92, Hawaii Revised Statutes;
- (3) Accelerates and extends the renewable electrical energy portfolio standard by an additional five percentage points by December 31, 2020, to twenty-five per cent from twenty per cent, and increases the standard to forty per cent by December 31, 2030;
- (4) Expands the duties of the energy resources coordinator to include:
  - (A) Identifying geographic areas containing renewable energy resources and designate these areas as renewable energy zones;
  - (B) Developing incentive programs to encourage the development of renewable energy resource projects within the renewable energy zones; and

- (C) Assisting public and private entities in identifying and developing, through the use of special purpose revenue bonds, utility transmission projects to accommodate the development of renewable energy resources;
- (5) Expands the definition of a “qualified business” in a state enterprise zone to one that is engaged in the development and production of fuels and thermal or electrical energy using a number of renewable energy resources;
- (6) Clarifies that the duties of the renewable energy facilitator in assisting the efficient permitting of renewable energy projects extends to the land on which the project is situated and any structures or equipment, including transmission facilities, required by the project;
- (7) Amends the definition of “renewable energy facility” in section 201N-1, Hawaii Revised Statutes (renewable energy facility siting process), to authorize the energy resources coordinator to designate, as renewable energy facilities, biofuel production facilities and renewable energy facilities with smaller energy production capacities, for purposes of streamlined permit processing for new facilities;
- (8) Directs the Public Utilities Commission to establish energy efficiency portfolio standards to maximize cost-effective energy efficiency programs and technologies to achieve a reduction of four thousand three hundred gigawatt hours of electricity use reductions statewide by 2030;
- (9) Replaces the energy resources coordinator with the public benefits fee administrator as the authority to issue variances from the requirement that single-family dwelling include solar water heating systems, and requires the administrator to:
- (A) Conduct post-installation inspections of installed water heating technology; and
- (B) Make public all applications and the dispositions of all applications for variances from the solar water heating system requirement;
- (10) Revises the tax credit on renewable energy technology systems provided by section 235-12.5, Hawaii Revised Statutes, and:
- (A) Disallows the tax credit on the installation of a solar water heating system that is required, pursuant to section 196-6.5, Hawaii Revised Statutes, on new single-family dwellings on or after January 1, 2010; and
- (B) Limits the tax credit to eligible renewable energy technology systems installed on or after July 1, 2009; and
- (11) Extends the deadline for the Public Utilities Commission to adopt standards for solar water heating systems from July 1, 2009, to January 1, 2010, and permits the Commission to contract with the public benefits fee administrator for the development of the standards to be adopted by the Commission.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature’s website.

Your Committee finds that numerous provisions contained in this measure either clarify or tighten existing provisions within the Hawaii Revised Statutes that encourage energy efficiencies and the development of renewable energy resources in the State. Further, a number of provisions expand certain statutory provisions to further encourage that development.

Your Committee has amended this measure by:

- (1) Deleting the requirement that gas-fired demand water heaters meet the impracticable or cost-prohibitive criteria for a variance from the solar water heating requirement, to ensure that natural gas remains a viable option for residential household water heating; and
- (2) Changing the effective date to July 1, 2046, to allow further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1464, 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. 1464, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Ayes with Reservations, 2 (Hooser, Kokubun). Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1328 Ways and Means on H.B. No. 1271**

The purpose of this measure is to establish the Hawaii economic development task force to address the long-term energy and food security concerns of the State.

This measure also:

- (1) Establishes the food security special fund to support increased agriculture production in the State to reduce Hawaii’s dependence on imported food sources;
- (2) Removes the cap amount on the environmental response revolving fund that triggers the discontinuation of collection of the environmental response tax;
- (3) Deletes the authorization for funds from the environmental response revolving fund to be deposited into the energy security special fund;
- (4) Renames the “environmental response tax” the “environmental response, energy, and food security tax”;

- (5) Changes the per barrel amount of the environmental response, energy, and food security tax to an unspecified amount, and provides for unspecified amounts to be distributed to the environmental response revolving fund, energy security special fund, energy systems development special fund, food security special fund, and the general fund;
- (6) Establishes the Hawaii economic development task force to facilitate accelerated adoption and completion of renewable energy projects, energy efficiency programs, agricultural infrastructure and development, and related issues;
- (7) Appropriates an unspecified amount to support the work of the Hawaii economic development task force; and
- (8) Preserves the general excise tax exemption for the sale of alcohol fuels by repealing the sunset provision for section 2 of Act 209, Session Laws of Hawaii 2007.

Your Committee received twenty-six written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that reducing the State's dependence on imported energy resources is crucial to the economic security of the State. An adjustment to the per barrel amount of the environmental response tax can serve not only to reach this objective, but also to provide a dedicated and reliable source of funding for energy and food security projects. Additionally, your Committee finds that the tax could also provide much-needed deposits to the general fund to help alleviate budgetary shortfalls. Finally, your Committee finds that Hawaii's consumers will continue to benefit during these difficult economic times by continuing the exemption from the general excise tax for sales of alcohol fuels.

Despite the merits of this measure, your Committee finds that it may be inappropriate to create a food security special fund that will be funded by a per barrel tax on petroleum imports. Your Committee has concerns with respect to the tenuous nexus between the benefits sought by the fund (food security) and the charges to the users or beneficiaries of the fund.

Therefore, your Committee has amended this measure by:

- (1) Deleting the establishment of the food security special fund and allocations from the per barrel amount of the environmental response, energy, and food security tax to the special fund; and
- (2) Changing the amount of the appropriation for the Hawaii economic development task force to \$1 to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1271, 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. 1271, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 2 (Kokubun, Hemmings).

**SCRep. 1329      Ways and Means on H.B. No. 1071**

The purpose of this measure is to establish within the Department of Commerce and Consumer Affairs a system to license and regulate servicers of residential mortgage loans secured by real property located in Hawaii.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that mortgage servicers are frequently a borrower's only contact for information regarding the borrower's mortgage loan or to address and resolve matters that can arise in the course of making payments on that loan. However, many mortgage servicers are unable or unwilling to assist borrowers in distress who want to negotiate a modification or workout of a delinquent loan. Your Committee further finds that licensure and regulation of mortgage servicers is necessary to protect Hawaii homeowners, especially given the rising rate of home mortgage foreclosures caused by the current economic recession.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, 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. 1071, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, none.

**SCRep. 1330      Ways and Means on H.B. No. 686**

The purpose of this measure is to delay the implementation of the reduced ignition propensity cigarette law and provide the State Fire Council with the means to cover the cost of enforcing it.

Specifically, this measure:

- (1) Establishes a special revolving fund to be administered by the State Fire Council;
- (2) Requires that the cigarette manufacturer certification fees be deposited into the special revolving fund;
- (3) Allows the State Fire Council to use moneys from the fund to pay for any costs associated with administering the reduced ignition propensity cigarette program, including hiring personnel; and
- (4) Delays the implementation of the reduced ignition propensity cigarette program until September 30, 2010.



Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the State Fire Council consists of only one part-time employee funded by the State Department of Labor and Industrial Relations. Your Committee believes that due to this staffing shortage, the State Fire Council would benefit from delaying the implementation of the reduced ignition propensity cigarette program.

Your Committee is concerned that the revolving fund established by this measure may not meet the clear nexus criteria for a revolving fund under section 37-52.4, Hawaii Revised Statutes. Furthermore, your Committee acknowledges the concern that the cigarette manufacturer certification fees may not provide sufficient funding to support the State Fire Council's duties and responsibilities.

Accordingly, your Committee has amended this measure by deleting the revolving fund and making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 686, 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. 686, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1331 (Majority) Ways and Means on H.B. No. 1174**

The purpose of this measure is to provide the Board of Regents of the University of Hawaii with greater authority over the management of the Mauna Kea lands.

Specifically, this measure:

- (1) Authorizes the Board of Regents to charge fees and enter into lease agreements for the Mauna Kea lands;
- (2) Authorizes the Board of Regents, in consultation with the Office of Hawaiian Affairs, to adopt rules to regulate public and commercial activities on Mauna Kea lands;
- (3) Authorizes the Board of Regents, in consultation with the Office of Hawaiian Affairs, to establish and collect administrative fines for violations of rules;
- (4) Requires annual reports to the Legislature; and
- (5) Establishes the Mauna Kea lands management special fund to be managed by the University of Hawaii.

Your Committee received one hundred forty-five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the Department of Land and Natural Resources has adopted administrative rules governing the use of lands within the conservation district lands of Mauna Kea consisting of the forest reserve, the natural area reserves system, and the Mauna Kea Science Reserve. The Mauna Kea Science Reserve is currently under lease to the University of Hawaii. While the Department's conservation district rules apply to the Mauna Kea Science Reserve, there have not been any administrative rules adopted to specifically cover activities within the reserve area.

Your Committee believes that it is necessary to clarify the authority of the University of Hawaii to manage and adopt rules for the Mauna Kea lands under lease from the Department of Land and Natural Resources to remove any ambiguity regarding the University's rulemaking authority. This measure will also promote better management of public uses and activities and protect Mauna Kea's unique cultural and natural resources.

Your Committee has amended this measure by making a technical amendment to clarify a statutory cross reference.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1174, 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. 1174, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Ayes with Reservations, 3 (English, Hooser, Kidani). Noes, 3 (Chun Oakland, Galuteria, Hee). Excused, none.

**SCRep. 1332 Commerce and Consumer Protection on H.B. No. 690**

The purpose of this measure is to expand the availability of health insurance by requiring insurers to offer the same health insurance coverage to employees who work at least fifteen hours per week as is offered to employees who work at least twenty hours per week.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Testimony with comments on this measure was received from Hawaii Association of Health Plans, Hawaii Medical Service Association, and Kaiser Permanente. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that part-time workers constitute a significant portion of Hawaii's uninsured population. Your Committee further finds that because of the prevalence of tourism-related and service sector employment in Hawaii's job market, many Hawaii workers hold part-time jobs that do not provide health insurance. Additionally, many workers have experienced a reduction in working hours that makes them ineligible for insurance benefits under the Prepaid Health Care Act. Your Committee finds that in difficult economic times, it is important to ensure that adequate health care remains within reach of Hawaii's workers.

Your Committee further finds that small businesses and their employees often bear the brunt of an economic downturn. Employees of businesses with between two and nineteen employees are not entitled to continuation of health insurance coverage under federal Consolidated Omnibus Budget Reconciliation Act (COBRA) provisions. Your Committee finds that the loss of health insurance due to unemployment or a reduction in working hours can be devastating to small business employees who often have no other means of obtaining health insurance outside of employer-provided group plans.

Your Committee notes that federal stimulus funds are currently available to assist individuals with paying the higher monthly premiums associated with continuation of coverage. However, these funds are, at present, only available through December 2009. Your Committee notes that although the effective date of this measure is currently deferred to January 1, 2020 for the purpose of encouraging further discussion, it is the intention of your Committee that this measure be implemented in time for Hawaii residents to benefit from federal continuation of coverage assistance. It is also the intention of your Committee that the article added by section 1 of this measure expire after two years, at which time it shall be subject to review by the Legislature.

Your Committee has amended this measure by:

- (1) Adding a new section to extend continuation of health insurance benefits to small business employees who are ineligible for continuation of coverage under federal law;
- (2) Defining the eligibility, notice, and enrollment requirements for continuation of coverage for small business employees;
- (3) Clarifying that the health insurance coverage provided to part-time employees shall include family coverage if the health insurance provided to regular employees also includes family coverage;
- (4) Clarifying that an employer is responsible for the administrative duties necessary to provide health insurance to part-time employees;
- (5) Clarifying that "part-time employee" means a person employed by a single employer for at least fifteen but less than twenty hours per week;
- (6) Deleting the requirement that a certain percentage of part-time employees elect to receive coverage before health insurance may be extended to part-time employees;
- (7) Clarifying that a part-time employee shall have been employed for at least eighteen months with a single employer in order to be eligible for health insurance coverage;
- (8) Adding a new section to apply the requirements for coverage of part-time employees to fraternal benefit societies;
- (9) Adding two new sections to update existing statutes governing mutual benefit societies and health maintenance organizations in order to include the article added by section 1 of this measure;
- (10) Specifying that part I of this measure shall take effect upon the approval of this measure and shall be repealed on July 1, 2011;
- (11) Deferring the effective date of part II of this measure to encourage further discussion and specifying that Part II shall be repealed five years after its enactment; and
- (12) Making technical, nonsubstantive changes, including the division of this measure into two parts, for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 690, 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. 690, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Hemmings).

**SCRep. 1333 Commerce and Consumer Protection on H.B. No. 1503**

The purpose of this measure is to require limited liability companies that opt to be designated as a public purpose company to exercise the right to exclude conferred by a patent for a public purpose.

Your Committee received testimony in support of this measure from three private citizens. Testimony in opposition to this measure was received from the Department of Commerce and Consumer Affairs and three private citizens. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that some for-profit business enterprises that pursue social entrepreneurship do not conform exactly to existing corporate structures which distinguish between corporations formed for the purpose of making a profit and those formed for the purpose of performing a social function. Your Committee notes the concerns of the Department of Commerce and Consumer Affairs and other testifiers that this measure undermines clarity and uniformity in State law, may conflict with federal law, and may create difficulties in administration and enforcement. However, your Committee finds that this measure merits advancement for the purpose of further discussion.

Your Committee has amended this measure by:

- (1) Clarifying the definition and function of a public purpose company;
- (2) Removing the automatic designation as a public purpose company of any company that exercises the right to exclude; and
- (3) Requiring the Department of Commerce and Consumer Affairs to list all public purpose companies in the State on its website.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1503, 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. 1503, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 1334 (Joint) Judiciary and Government Operations and Ways and Means on H.B. No. 1713**

The purpose of this measure is to authorize the Governor to enter private property to mitigate situations deemed hazardous to the health and safety of the public, following appropriate notice procedures to the owner and occupier.

This measure also:

- (1) Clarifies that:
  - (A) Dangerous trees or branches that pose a falling hazard;
  - (B) Stabilizing or removing unstable rock and soil hazards; and
  - (C) Cleaning streams and waterways to mitigate or prevent flooding or other disasters;

constitute situations that are hazardous situations to the health and safety of the public that the Governor is authorized to mitigate;

- (2) Requires the Governor to provide a ten day notice to the landowner and occupier of private property before entering on the private property; and
- (3) Extends the lapsing date for the remaining unexpended appropriations granted under Act 78, Session Laws of Hawaii 2007, from June 30, 2009, to June 30, 2010. Act 78 appropriated funds in response to the Kiholo Bay earthquake disaster that occurred on October 15, 2006.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will allow the State to prevent hazardous situations on private property, such as falling trees or branches, unstable rock and soil, and clogged streams and waterways that may pose a significant risk of harm to adjoining landowners and the general public when property owners fail to properly maintain their properties.

It is your Committees' understanding that while Hawaii State Civil Defense has performed ably to oversee the expenditure of Act 78 funds, important work remains to be done. Another year is needed to complete repairs to earthquake-damaged facilities, including agricultural irrigation systems and hazard mitigation projects on the islands of Hawaii, Maui, and Oahu. One of the most destructive consequences of the earthquake was the severe damage sustained by the Kohala Ditch. Suspension of the flow of water in the Kohala Ditch has resulted in severe losses to agricultural and livestock operations in North Kohala, including one of the last two remaining dairies in Hawaii. Extending the lapsing date of the appropriations provided by Act 78 will enable the completion of recovery efforts.

Your Committees have amended this measure by:

- (1) Clarifying that designated state employees may enter a private landowner's property pursuant to the requirements of this measure;
- (2) Clarifying that the authority to enter a private landowner's property is limited to mitigation of the three hazardous situations identified in this measure;
- (3) Requiring the Governor to first provide the landowner or occupier with a reasonable opportunity to mitigate the hazardous situation without assistance of the State; and
- (4) Changing the effective date to July 1, 2050, to promote further discussion.

As affirmed by the records of votes of the members of your Committees on Judiciary and Government Operations and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1713, H.D. 2, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1713, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.  
Ayes, 17. Noes, none. Excused, 1 (Bunda).

**SCRep. 1335 Judiciary and Government Operations on H.B. No. 640**

The purpose of this measure is to amend chapter 343, Hawaii Revised Statutes (chapter 343), to clarify that any primary action that requires a permit or approval not subject to the discretionary consent of the approving agency and that involves a secondary action within an existing public right-of-way or highway is exempt from chapter 343.

Your Committee understands that recent court rulings and agency interpretations have suggested that private applications that use or "touch" state or county roadways or rights-of-way, such as easements, drainage facilities, connections to waterlines and sewer lines, private driveways and access improvements, and utility rights of way for overhead or underground connections, would require preparation of an environmental assessment document due to the "use of state or county lands", pursuant to section 343-5(a)(1), Hawaii Revised Statutes. As a result, private applicant proposals for minor work within the state or county right-of-way now triggers the preparation of an environmental assessment by the applicant. Your Committee finds that the unintended results of these court decisions and agency interpretations have caused the Department of Transportation (DOT) and the Office of Environmental Quality Control (OEQC) to be deluged with hundreds of minor work project reviews, significantly increasing the time required for the DOT to review and process applications affecting the state highway right-of-way. This interpretation has also created unnecessary expense and delay for private applicants.

Your Committee notes that the exemption provided by this measure will not apply if the infrastructure is not within an existing public right-of-way or highway, or if the infrastructure may have a significant effect on the environment.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2075, to continue the discussions on this matter; and
- (2) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 640, 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. 640, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1336      Judiciary and Government Operations on H.B. No. 819**

The purpose of this measure is to require the Family Court to waive jurisdiction and order a minor to be held in a youth correctional facility for criminal proceedings if, after a full investigation and hearing, the Family Court finds that:

- (1) The minor is alleged to have committed an act that would constitute murder in the first degree or second degree if committed by an adult; and
- (2) The minor is at least fifteen years of age, but less than eighteen years of age.

This measure also provides that subsequent to a waiver by the Family Court, upon motion by the defendant, the Circuit Court may remand the minor back to the jurisdiction of the Family Court if the Circuit Court finds that the rehabilitation of the minor would be seriously impaired if the minor remained under the jurisdiction of the Circuit Court, or that the minor is committable to an institution for the mentally defective or retarded or the mentally ill.

Your Committee notes the testimony of the Judiciary to the effect that nearly all of the petitions for waiver of Family Court jurisdiction of minors charged with murder have been granted, and that the existing statutory schemes have not resulted in inconsistent outcomes or in outcomes that would be to the detriment of public safety. According to the Judiciary, the case that gave rise to this measure does not reflect the normal timetable for waiver cases because it involved complexities that required more time for the parties to resolve.

Your Committee has amended this measure by:

- (1) Limiting its applicability to murder in the first degree and to cases where the minor has not been charged with any other criminal offenses arising from the same incident; and
- (2) Changing the effective date to July 1, 2050 to continue the discussions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 819, 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. 819, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1337      Judiciary and Government Operations on H.B. No. 1415**

The purpose of this measure is to require condominium associations, planned community associations, and cooperative housing corporations to implement a policy to provide entry for a process server.

Your Committee finds that service of process is an important component of a fair and efficient civil legal system. Your Committee further finds that under the current law, an individual living in a condominium, cooperative housing project, or gated community may be able to delay or avoid service of process if entry to the property is restricted. Your Committee has concerns as to whether this measure strikes a reasonable balance between respect for private property rights and the need to promote efficiency in the judicial process.

Your Committee has amended this measure by:

- (1) Requiring cooperative housing corporations and planned community associations to identify in their governing by-laws, rather than in their annual corporate filings, the persons designated to respond to a request for access;
- (2) Changing the term "process server" to "person authorized to serve civil process" to be consistent with the requirements of section 634-21, Hawaii Revised Statutes, and court rules;
- (3) Restricting the requirement of establishing an access policy to properties having entries inaccessible to the general public; and
- (4) Changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1415, 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. 1415, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1338      Judiciary and Government Operations on H.B. No. 262**

The purpose of this measure is to:

- (1) Establish an insurance fraud investigations branch to replace the existing insurance fraud investigations unit, and to empower the branch to investigate and prosecute insurance fraud in all lines of insurance except workers' compensation;
- (2) Impose administrative, civil, and criminal penalties for offenses of insurance fraud in all covered lines of insurance and for different types of insurance fraud, including fraudulent applications and sales; and
- (3) Direct the deposit of fines and settlements resulting from successful insurance fraud prosecutions into the compliance resolution fund to help the insurance fraud investigations branch cover the cost of preventing, investigating, and prosecuting insurance fraud.

Your Committee finds that insurance fraud reportedly costs every household in the United States an average of \$500 per year. In Hawaii, the cost of motor vehicle insurance fraud alone was estimated in 1997 to be over \$164 annually per household. In Hawaii, based on the conservative estimate that insurance fraud amounts to three per cent of annual Hawaii health care costs, health insurance fraud causes losses that exceed \$60,000,000 annually.

Your Committee also finds that no line of insurance is free of insurance fraud. Rather than limit administrative, civil, and criminal penalties for insurance fraud to only motor vehicle insurance, Hawaii's insurance fraud law should be expanded to include all lines of insurance.

Your Committee has amended this measure by:

- (1) Making clarifying amendments for consistency, on the recommendation of the State Insurance Commissioner;
- (2) Exempting licensed attorneys acting in their capacity as attorneys for claimants, from the definition of "person";
- (3) Changing the effective date to July 1, 2050 to continue the discussions on this issue; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 262, 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. 262, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1339      Judiciary and Government Operations on H.B. No. 590**

The purpose of this measure is to expedite the processing and approval or denial of any permit plan application for the siting, development, construction and operation of a renewable energy facility, by:

- (1) Requiring the permitting agency to provide the energy resources coordinator, within thirteen months after the permit application is complete, a report identifying diligent measures that are being taken by the agency to complete permit processing and requiring the agency to take action as soon as practicable; and
- (2) Giving the energy resources coordinator the authority, subject to certain time requirements, to deem a completed permit application approved if the permitting agency either (A) does not report any further processing or action after it submits its report to the energy resources coordinator, or (B) fails to provide the energy resources coordinator with its report and has not approved or denied the application.

Your Committee finds that fostering predictability and certainty in the permitting process for renewable energy projects will reduce Hawaii's reliance on fossil fuels and will assist the State in meeting its 2030 renewable energy mandates for the health and welfare of the residents of Hawaii.

Your Committee has amended this measure by changing the effective date to July 1, 2050 to continue the discussions on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 590, 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. 590, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1340      (Majority) Judiciary and Government Operations on H.B. No. 952**

The purpose of this measure, known in pending federal legislation as the "Employee Free Choice Act," is to enact a new labor law to:

- (1) Authorize streamlined certification of a labor organization to represent employees pursuant to signed valid authorizations by a majority of employees where no other representatives are certified as the exclusive bargaining representatives; and
- (2) Establish a mandatory procedure for facilitating initial collective bargaining agreements.

This measure also establishes a violation and civil penalty applicable to employers who wilfully or repeatedly commit unfair or prohibited practices that interfere with statutory rights of employees or discriminate against employees for the exercise of protected conduct.

Your Committee finds that this measure supports workers' right to organize for the purpose of collective bargaining under Article XIII of the Hawaii Constitution and provides protections for workers against actions that would hinder them from exercising this constitutional right.

Your Committee has amended this measure by changing the effective date to upon its approval, and making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 952, 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. 952, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Gabbard). Noes, 2 (Nishihara, Slom). Excused, none.

**SCRep. 1341      Judiciary and Government Operations on H.B. No. 981**

The purpose of this measure is to amend Act 171, Session Laws of Hawaii (SLH) 2008, relating to the implementation of use of an ignition interlock device, to reflect recommendations of the Hawaii Ignition Interlock Implementation Task Force, and to extend the life of the Task Force to January 1, 2011.

The Hawaii Ignition Interlock Implementation Task Force was created by Act 171, SLH 2008, to make recommendations to the Legislature to implement Act 171. The Task Force was broadly representative of the Legislature, the Judiciary, relevant executive departments of the State and counties, and concerned citizen groups. Recognizing the need to resolve a number of outstanding issues in the transition to use ignition interlock devices, the Legislature delayed the effective date of Act 171 to July 1, 2010.

Your Committee believes that using interlock devices to deter intoxicated drivers from driving is a natural extension of existing law providing penalties for drunk driving.

Your Committee has amended this measure by:

- (1) Deleting the administrative penalty of a petty misdemeanor for an implied consent violation, which is a criminal offense and outside the realm of an administrative license revocation;
- (2) Adding an effective date of July 1, 2050, to continue the discussions on this matter; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 981, 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. 981, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1342      Judiciary and Government Operations on H.B. No. 1316**

The purpose of this measure is to abolish joint and several liability for design professionals and public utilities in tort claims relating to the design and maintenance of public highways, except where the design professional or public utility's degree of negligence is twenty-five per cent or greater.

Your Committee believes that this measure provides a degree of fairness in the judicial system for design professionals, since most design firms that work on public highway projects are small and the professional liability risk may outweigh their financial reward from the project. However, your Committee remains cognizant of maintaining a sufficient deterrent from negligent or substandard design work. In addition, your Committee believes that public utilities are not in the risk/reward situation as design professionals.

Your Committee has amended this measure by:

- (1) Deleting public utilities from coverage under this measure;
- (2) Reducing the cap on the design professional's qualifying negligence from twenty-five to ten per cent, in order to be eligible under the terms of this measure;
- (3) Requiring the design professional to meet the criteria under either of two situations, based upon the contract amount relating to the tort claim, the amount of gross revenue received by the design professional in the preceding year or years, and the coverage amounts of professional errors and omissions liability insurance, in order to be eligible under the terms of this measure;
- (4) Defining "contract amount" for purposes of the amended measure; and
- (5) Changing the effective date to July 1, 2050 to continue the discussions in this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1316, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1316, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1343 (Majority) Judiciary and Government Operations on H.B. No. 1479**

The purpose of this measure is to require that every contract for a public works project, to which a government contracting agency is a party, include in the contract a provision that a certified copy of a fringe benefit reporting form is to be submitted weekly to the governmental contracting agency for review.

Your Committee finds that the current reporting of fringe benefits by public works project employers is inadequate, and that there should be a reasonable way for laborers to determine the itemization of their fringe benefits through public records. Employers are currently only required to check a box indicating that they are in compliance with the payment of fringe benefit wages required under chapter 104, Hawaii Revised Statutes. Hourly wages, but not fringe benefits, are listed as itemized payments to prove compliance.

This measure remedies the situation by requiring the itemized listing of payments of fringe benefits on payroll records, thus ensuring compliance with rules regarding the payment of fringe benefits.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1479, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, none.

**SCRep. 1344 Judiciary and Government Operations on H.B. No. 1101**

The purpose of this measure is to ensure that investigators appointed and commissioned by the Director of Human Services have access to all information necessary to investigate incidents at the Hawaii Youth Correctional Facilities.

Your Committee finds that for the State to comply with the Memorandum of Agreement between the State and the United States Department of Justice concerning conditions at the Hawaii Youth Correctional Facilities, the State must initiate investigation of incidents of use of force, staff-on-youth violence, serious youth-on-youth violence, inappropriate staff relationships with youth, sexual misconduct between youth, and abusive institutional practices at the Hawaii Youth Correctional Facilities. Although the Director of Human Services has broad authority to appoint and commission investigators who are authorized to access information maintained by any state or county entity, the existing statute does not state specifically that Department-appointed investigators have the authority to access information necessary to investigate incidents at the Hawaii Youth Correctional Facilities.

This measure clarifies the situation and accordingly, will assist the State in meeting its commitments under the Memorandum of Agreement to improve conditions at the Hawaii Youth Correctional Facilities.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1345 Water, Land, Agriculture and Hawaiian Affairs on H.B. No. 589**

The purpose of this measure is to facilitate the financing and development of renewable energy projects by allowing leases and easements pertaining to renewable energy projects, together with mortgages and other conveyances as security for finance, to be created, enforceable, and recordable, without requiring the landowner to obtain formal subdivision approval from the applicable county or other approving agency.

Testimony in support of this measure was submitted by one state agency and three organizations. Written testimony presented to your Committee may be reviewed on the Legislature's website.

In order to develop and finance renewable energy facilities, a site for the facilities and access to the site must often be leased or granted as an easement, and then mortgaged to provide financing for the project. Renewable energy projects may require site acreage or configurations that do not coincide with existing subdivided lot boundaries. For example, if a renewable energy developer wants to develop a solar farm on five acres of a thirty acre lot, the present subdivision laws require the developer to encumber the entire lot with a mortgage. If the developer wanted to transfer interest in the five acre solar farm, the entire lot would have to be subdivided and approved by the county.

Landowners can create leases for less than the entire legal lot, but they may not be enforceable under current Hawaii law, and for this reason, a lessee will have difficulty obtaining title insurance and financing on its leasehold interest and project. Lenders and investors require valid leases and easements which may entail the recordation of maps, leases, licenses, grants of easements, or other instruments securing interests. However, in *Whitlow v. Jennings*, 40 Haw. 523 (1954), the Hawaii State Supreme Court asserted that a subdivision permit must be obtained prior to the recording of these instruments. This type of legal restriction prevents renewable energy producers from obtaining interim financing. This measure will ensure renewable energy developers may obtain necessary interim financing for feasibility and statutory studies, such as environmental assessments.

The American Recovery and Reinvestment Act of 2009, Public Law No. 111-5, also known as the Federal Stimulus package, signed into law by President Obama provides \$62 billion in grant funding, loan guarantees, and tax incentives for renewable energy and energy efficiency programs, including \$6 billion for loan guarantees for wind or solar projects. Your Committee finds that this measure will facilitate the financing and development of renewable energy projects and assist these projects in obtaining funding under the Federal Stimulus package.

However, your Committee understands that this measure may be construed as interfering with county home rule, which allows each county to make the best decisions for its residents. Therefore, your Committee is amending the measure in order to proceed cautiously by limiting the type of renewable energy project and the length of time for the issuance of subdivision exemptions.

Your Committee has amended this measure by:

- (1) Restricting the applicability of the exemption from subdivision approval to agricultural or conservation state land use districts;
- (2) Clarifying that the use of the leased land or easement area shall be restricted in the lease or easement agreement to only renewable energy projects, subject to the requirements of section 205-4.6, Hawaii Revised Statutes, prohibiting the restriction of agricultural uses;
- (3) Limiting the subdivision exemption to renewable energy projects that are:
  - (A) Solar energy facilities on agricultural state land permitted under section 205-2(d)(6), Hawaii Revised Statutes, which consists of land with soil classified by the Land Study Bureau's detailed land classification as overall (master) productivity rating class D or E; or
  - (B) Wind energy facilities on conservation state land, including any necessary appurtenances;
- (4) Removing the automatic termination provision;
- (5) Providing a ninety day approval period for the county agency or Department of Land and Natural Resources to act upon an application for subdivision exemption, and providing that on the ninety-first day any application which has not been approved shall be deemed disapproved;
- (6) Clarifying that this measure shall not exempt renewable energy projects from any permit or approval process under chapters 183C Conservation District, 205 Land Use Commission, 205A Coastal Zone Management, or 343 Environmental Impact Statement, Hawaii Revised Statutes;
- (7) Permitting any agency or authority that issues permits or approvals for renewable energy projects to impose reasonable rules on the siting, development, construction, and operation of a renewable energy facility to protect agricultural resources and activities, the environment, natural resources, cultural resources and activities, health, safety, or welfare of the State;
- (8) Specifying the categories of rules that may be adopted by the agencies and authorities that issue permits or approvals for renewable energy projects including the type of project, criteria for appropriate siting, and identifying mitigation measures to protect agricultural resources and activities, the environment, natural resources, cultural resources and activities, or the health, safety, and welfare of the State;
- (9) Establishing a sunset date of June 30, 2013;
- (10) Providing that any lease or easement approved for a subdivision exemption prior to June 30, 2013 that continues to comply with the restricted use requirements shall remain valid after the sunset of the statutory provisions, clarifying that the interest may be transferred or foreclosed upon, and may be extended; and
- (11) Making technical, nonsubstantive changes for style.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 589, 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. 589, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1346 Health on Gov. Msg. Nos. 323, 324, 330 and 333**

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

- G.M. No. 323 PETER L. FRITZ, for a term to expire 6-30-2013;  
 G.M. No. 324 MALCOLM "MARK" M. GIBLIN, for a term to expire 6-30-2013;  
 G.M. No. 330 LUCY MILLER PHD, for a term to expire 6-30-2010; and  
 G.M. No. 333 GLENN M. MORGAN, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to disability and communication access for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Disability and Communication Access Board to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Disability and Communication Access Board. Additional testimony was submitted supporting the nomination of Peter Fritz by two individuals, Malcolm "Mark" Giblin by one individual, and Lucy Miller by one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.



As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1347 Health on S.R. No. 33**

The purpose of this measure is to educate the public on the proper cleaning of produce to mitigate the occurrence of rat lungworm disease.

Your Committee received testimony from the Department of Health supporting the intent of this measure with suggested amendments.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that is important to educate the public on the necessity of proper cleaning of raw produce. In addition, public education should be expanded to include all emerging and known pathogens and contaminants that may affect raw produce consumption.

Accordingly, your Committee has amended this measure by broadening the scope of the measure to include public education on the proper cleaning of produce regarding all emerging and known pathogens and contaminants that may affect raw produce consumption.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 33, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1348 (Joint/Majority) Human Services and Labor on S.C.R. No. 32**

The purpose of this measure is to encourage stakeholders and interested parties to work together to establish paid family leave or similar wage replacement programs to assist family caregivers.

Testimony in support of this measure was provided by the Policy Advisory Board for Elder Affairs, the Hawaii Teamsters and Allied Workers, Local 996, the National Multiple Sclerosis Society, and the International Longshore and Warehouse Union Local 142. Testimony in opposition to this measure was submitted by the Society for Human Resource Management Hawaii and the National Federation of Independent Business. Comments were submitted by The Chamber of Commerce of Hawaii. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that support in the form of wage replacement and family leave programs would provide financial assistance to caregivers who take time off from work, reduce hours, or forgo promotions or benefits in order to perform their caregiver duties.

Your Committees have amended this measure as follows:

- (1) By adding all business and non-profit organizations that testified on this measure as recipients of copies of this measure; and
- (2) By making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 32, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, 1 (Slom). Excused, 1 (Hemmings).

**SCRep. 1349 Judiciary and Government Operations on S.C.R. No. 165**

The purpose of this measure is to request the Governor to establish a Task Force on Humane Restraint and Confinement of Pet Animals, to examine the issues raised during the Regular Session of 2009 by Senate Bill No. 1222, S.D. 1, relating to the Humane Treatment of Pet Animals, Senate Bill No. 30, S.D. 1, relating to Animals, Senate Bill No. 488, relating to Animal Cruelty, and Senate Bill No. 1188, relating to Animals.

Your Committee received testimony in support of this measure from five private organizations and three individuals. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The above-referenced measures demonstrate the need for comprehensive legislation regarding the restraint and confinement of pet animals that would not only meet the needs of the community but would consider the unique differences among the counties with regard to enforcement capabilities.

It is the intent of your Committee that the Task Force on Humane Restraint and Confinement of Pet Animals bring together the stakeholders and experts in the field of animal protection and anti-cruelty in order to report to the 2010 Regular Session on recommendations for comprehensive legislation relating to restraint and confinement standards for pet animals, including issues with and solutions for the enforcement of the recommended legislation; suggested amendments to the definition of "necessary sustenance" as it relates to "area of confinement" or any additional definitions, as appropriate, in section 711-1100, Hawaii Revised Statutes; and any dissenting opinions among task force members to the recommended legislation.

Your Committee has amended this measure by:

- (1) Adding to the membership of the task force the West Hawaii Humane Society; Oahu Society for the Prevention of Cruelty to Animals; and Animal Rights Hawaii; and
- (2) Substituting the Judiciary for the Center for Alternative Dispute Resolution as the agency to provide administrative support.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1350      Judiciary and Government Operations on S.R. No. 114**

The purpose of this measure is to request the Governor to establish a Task Force on Humane Restraint and Confinement of Pet Animals, to examine the issues raised during the Regular Session of 2009 by Senate Bill No. 1222, S.D. 1, relating to the Humane Treatment of Pet Animals, Senate Bill No. 30, S.D. 1, relating to Animals, Senate Bill No. 488, relating to Animal Cruelty, and Senate Bill No. 1188, relating to Animals.

Your Committee received testimony in support of this measure from five private organizations and three individuals. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The above-referenced measures demonstrate the need for comprehensive legislation regarding the restraint and confinement of pet animals that would not only meet the needs of the community but would consider the unique differences among the counties with regard to enforcement capabilities.

It is the intent of your Committee that the Task Force on Humane Restraint and Confinement of Pet Animals bring together the stakeholders and experts in the field of animal protection and anti-cruelty in order to report to the 2010 Regular Session on recommendations for comprehensive legislation relating to restraint and confinement standards for pet animals, including issues with and solutions for the enforcement of the recommended legislation; suggested amendments to the definition of "necessary sustenance" as it relates to "area of confinement" or any additional definitions, as appropriate, in section 711-1100, Hawaii Revised Statutes; and any dissenting opinions among task force members to the recommended legislation.

Your Committee has amended this measure by:

- (1) Adding to the membership of the task force the West Hawaii Humane Society; Oahu Society for the Prevention of Cruelty to Animals; and Animal Rights Hawaii; and
- (2) Substituting the Judiciary for the Center for Alternative Dispute Resolution as the agency to provide administrative support.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, none.

**SCRep. 1351      Energy and Environment on S.C.R. No. 171**

The purpose of this measure is to urge the State to recognize the third Sunday of every April as "Hawaiian Monk Seal Day" and to coordinate the implementation of the recovery plan for the Hawaiian monk seal with the federal and county governments.

Testimony in support of this measure was submitted by one state department, one private organization, and ten individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaiian monk seal is critically endangered—over the past fifty years, the Hawaiian monk seal population has declined by more than sixty per cent. Through the efforts of many government and non-governmental agencies, the population of Hawaiian monk seals seems to be slightly increasing in the Main Hawaiian Islands; however, overall, the seal population in our Hawaiian archipelago is still declining by approximately four per cent a year.

Your Committee finds that the National Oceanic and Atmospheric Administration (NOAA) conducts a semi-annual Hawaiian Monk Seal Count in April, with the assistance of many dedicated volunteer residents throughout Hawaii. In addition to keeping track of the number of seals in the Main Hawaiian Islands, this project helps to educate the public of the appropriate actions to be taken when encountering a critically endangered monk seal. Because one of the challenges facing monk seals that live on populated islands is human disturbance, this public information is critical to protect these animals and help their population recover from endangerment.

Your Committee has amended this measure by making technical, nonsubstantive changes for style, consistency, and accuracy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Green, Kokubun, Hemmings).

**SCRep. 1352      Energy and Environment on S.R. No. 117**

The purpose of this measure is to urge the State to recognize the third Sunday of every April as "Hawaiian Monk Seal Day" and to coordinate the implementation of the recovery plan for the Hawaiian monk seal with the federal and county governments.

Testimony in support of this measure was submitted by one state department, two private organizations, and eight individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Hawaiian monk seal is critically endangered—over the past fifty years, the Hawaiian monk seal population has declined by more than sixty per cent. Through the efforts of many government and non-governmental agencies, the population of Hawaiian monk seals seems to be slightly increasing in the Main Hawaiian Islands; however, overall, the seal population in our Hawaiian archipelago is still declining by approximately four per cent a year.

Your Committee finds that the National Oceanic and Atmospheric Administration (NOAA) conducts a semi-annual Hawaiian Monk Seal Count in April, with the assistance of many dedicated volunteer residents throughout Hawaii. In addition to keeping track of the number of seals in the Main Hawaiian Islands, this project helps to educate the public of the appropriate actions to be taken when encountering a critically endangered monk seal. Because one of the challenges facing monk seals that live on populated islands is human disturbance, this public information is critical to protect these animals and help their population recover from endangerment.

Your Committee has amended this measure by making technical, nonsubstantive changes for style, consistency, and accuracy.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 117, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 117, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Green, Kokubun, Hemmings).

**SCRep. 1353 Labor on Gov. Msg. Nos. 357, 358, 359, 360 and 362**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 357 JONATHAN J. CHUN, for a term to expire 6-30-2013;

G.M. No. 358 ALLEN M.F. CHUNG, for a term to expire 6-30-2012;

G.M. No. 359 LILI HALLETT, for a term to expire 6-30-2009;

G.M. No. 360 LILI HALLETT, for a term to expire 6-30-2013; and

G.M. No. 362 MARCIA M. TAIRA, for a term to expire 6-30-2012.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Jonathan J. Chun, Allen M.F. Chung, Lili Hallett, and Marcia M. Taira to have the necessary qualifications to be nominated to the Hawaii Workforce Development Council.

Testimony in support of the nomination of Jonathan J. Chun was submitted by one state agency and the Mayor of Kauai.

Mr. Chun received his Juris Doctorate, Cum Laude, from Gonzaga School of Law and a Bachelor of Arts degree from the University of Hawaii. He is currently an Attorney with Belles Graham Proudfoot Wilson & Chun, LLP. Mr. Chun has served previously as a State Senator for the Seventh Senatorial District, in which capacity he held various leadership positions. He has also worked for the County of Kauai Office of the County Attorney as the First Deputy County Attorney, the City and County of Honolulu's Department of the Corporation Counsel as Deputy Corporation Counsel, and White & Tom as an Associate.

Mr. Chun has contributed to numerous community organizations on Kauai. He has served as a Board member or been active in organizations including King Kaumualii Elementary School, Hoike Public Access Television, and Lihue Missionary Church. Mr. Chun is a current member of the Hawaii Workforce Development Council and represents the Hawaii Workforce Development Council on the State Rehabilitation Council, of which he is the current Chair. According to testifiers, his knowledge, experience, and dedication to the Kauai community as a practicing attorney, former Senator, and community volunteer make him an excellent nominee for the Hawaii Workforce Development Council.

Testimony in support of the nomination of Allen M.F. Chung was submitted by one state agency.

Mr. Chung earned a Bachelor of Business Administration degree in Personnel and Industrial Relations from the University of Hawaii at Manoa. He is currently the President of C Three Consulting LLC. Mr. Chung's previous employment positions include Director of Human Resources at St. Francis Healthcare System of Hawaii and an employee of the Del Monte Corporation's Personnel Department.

Mr. Chung served as a Board member of the Society for Human Resource Management, Hawaii Chapter, for six years, including one year as President; and has been a member of the national and Hawaii chapters of the Society for Human Resource Management since 2000 and 1981, respectively. He is also a Board member of Goodwill Industries of Hawaii and was previously involved with the Aloha United Way.

Mr. Chung is experienced in supporting individuals with work-related transitions. He would contribute to the Hawaii Workforce Development Council a commitment to help individuals recognize their transferable skills and knowledge, smooth transitions in work reentry, and increase their marketability to potential employers.

Testimony in support of the nomination of Lili Hallett was submitted by one state agency and six individuals.

Ms. Hallett earned Master of Arts and Bachelor of Arts degrees in Communication from the University of Hawaii at Manoa. She worked in various human resources-related roles for Outrigger Hotels and Resorts, East Oahu Chinese School, and the Outrigger Enterprises Group before serving in her current position as Human Resources Corporate Director of the Outrigger Enterprises Group.

Ms. Hallett previously served for four years on the Oahu Workforce Investment Board as an appointee of the Mayor of the City and County of Honolulu. She has held leadership positions with the Oahu Workforce Investment Board, the Pacific Gateway Center, the East Oahu Chinese School, Hawaii Literacy, Inc., the Hawaii Chinese Association, Goodwill Industries of Hawaii, and Friends of the Boys and Girls Club of Honolulu.

Ms. Hallett contributes valuable experience through her years of service on the Oahu Workforce Investment Board and her professional experience in human resources; and her commitment to service, professionalism, and encouragement would make her a valuable asset to the Hawaii Workforce Development Council.

Testimony in support of the nomination of Marcia M. Taira was submitted by one state agency and four individuals.

Ms. Taira earned a Bachelor of Business Administration degree in Personnel and Industrial Relations from the University of Hawaii at Manoa. She is also certified by the Society for Human Resource Management as a Professional in Human Resources.

Ms. Taira is currently the Director of Human Resources at Oceanic Time Warner Cable. Previously, she was an Independent Consultant to small companies in human resources program development, and Manager of Employee Relations at Ameron International. Ms. Taira presently serves in various professional and community organizations, including the Hawaii State Apprenticeship Council, the Society for Human Resource Management, and the Nuuanu YMCA. In the past, she has been active in the Teamsters Health and Welfare Trust Fund, the Society for Human Resource Management's Oahu Educational Foundation Program, and the Coalition for Reforming Obsolete Worker's Compensation Design.

Ms. Taira would contribute to the Hawaii Workforce Development Council experience in the private sector and is committed to increased collaboration with community colleges and the University of Hawaii to train and prepare Hawaii's students to enter into the work force, succeed, and remain relevant to the needs of employers.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1354 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 531**

Recommending that the Senate advise and consent to the nomination of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 531 NOA EMMETT ALULI, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Noa Emmett Aluli to have the necessary qualifications to be nominated to the Kahoolawe Island Reserve Commission.

Testimony in support of the nomination of Dr. Aluli was submitted by three state agencies, one organization, and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Aluli earned a Doctor of Medicine degree from the University of Hawaii John A. Burns School of Medicine and did residency in Integrated Family Medicine at the University of Hawaii. Prior to medical school, Dr. Aluli earned a Bachelor of Science degree in Biology/Chemistry from Marquette University.

Dr. Aluli practices family and general medicine at the Molokai Family Health Center and is on the medical staff for Molokai General Hospital. He is also an Assistant Clinical Professor at the John A. Burns School of Medicine's Departments of Native Hawaiian Health and Family Practice & Community Health. Dr. Aluli is a published author and serves on several boards and organizations, such as the Maui County Mayor's Council on Health, the Maui Health Care Initiative Task Force, and the American Liver Foundation, Hawaii Chapter's Medical Advisory Committee. However, it is Dr. Aluli's activism and passion for the island of Kahoolawe and native Hawaiian culture that makes him exceptionally qualified to serve on the Kahoolawe Island Reserve Commission.

Dr. Aluli was one of the Kahoolawe Nine who protested the United States Navy's use of the island for military training and target practice. He has been instrumental in initiating the restoration of Kahoolawe and was one of the original members of the Kahoolawe Island Reserve Commission. He is a leading expert on Kahoolawe and is one of the founding members of the Protect Kahoolawe Ohana organization, working to ensure the safe use of and access to the island for traditional and cultural native Hawaiian practices. He has also been a member or founder of organizations such as the Molokai Advisory Council on Burials, Na Puuwai, Pele Defense Fund, Ka Ohana O Kalae, Protect Kahoolawe Fund, Hui Ala Loa, Kahoolawe Island Conveyance Commission, and Molokai Planning Commission.

Dr. Aluli's tremendous dedication and efforts to further the restoration of Kahoolawe, better the lives of native Hawaiians, promote native Hawaiian culture and practices, and serve the community as a physician, leader, and activist make him one of the most highly qualified and best suited nominees to serve on the Kahoolawe Island Reserve Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 1355 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 533, 534 and 535**

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVE SYSTEM COMMISSION

G.M. No. 533 ARLENE BUCHHOLZ, for a term to expire 6-30-2013;

G.M. No. 534 RONALD RAPANOT, for a term to expire 6-30-2013; and

G.M. No. 535 JOHN SINTON, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Arlene Buchholz, Ronald Rapanot, and John Sinton to have the necessary qualifications to be nominated to the Natural Area Reserve System Commission.

Testimony in support of the nomination of Arlene Buchholz was submitted by one state agency, one organization, and five public citizens.

Dr. Buchholz received her Bachelor's degree in Chemistry from the New Mexico Institute of Mining and Technology, her Doctor of Veterinary Medicine degree from Oregon State University, and her Master's of Public Health from the University of Hawaii at Manoa. She is currently employed as a Veterinary Medical Officer III for the Hawaii State Department of Health, Disease Outbreak Control Division. Dr. Buchholz is a Board member for the Hawaii Audubon Society, an outings leader for the Sierra Club Hawaii Chapter, and a member of the Hawaiian Trail and Mountain Club. Dr. Buchholz satisfies the requirement that a member of the Natural Area Reserve System Commission be a member of a hiking organization organized in the State.

Dr. Buchholz has been a hike and service trip leader for sixteen years with the Sierra Club Hawaii Chapter, and a volunteer program and Christmas bird count coordinator with the Hawaii Audubon Society for ten years. She has visited many Natural Area Reserves, Wildlife Refuges, and State and National Parks in Hawaii as a service project participant or a hiker. Dr. Buchholz has been witness to the restoration of Kaena Point with native coastal plants and increasing populations of nesting Laysan Albatross, Wedge-Tailed Shearwaters, and Monk Seals. Her interests include native birds, the Hawaiian Hoary Bat, wildlife disease, and invasive species prevention and control.

Testimony in support of the nomination of Ronald Rapanot was submitted by one state agency.

Mr. Rapanot is a graduate of Molokai High School, and retired after thirty-five years from the Maui Electric Company. He is President of the Molokai Hunters Association, a representative on the Molokai Hunters Advisory Council, and a representative of hunters on the Molokai Hunting Working Group working with The Nature Conservancy of Hawaii. Mr. Rapanot satisfies the requirement that a member of the Natural Area Reserve System Commission be a member of a hunting organization organized in the State.

Mr. Rapanot has worked with The Nature Conservancy of Hawaii to seek a balance between resource protection and the interests of hunters, and finding ways to integrate the diverse viewpoints. He will be the first person to serve on the Natural Area Reserve System Commission from Molokai, and he has a great familiarity with the Puu Alii and Olokui Natural Area Reserves, and the Pelekunu and Kamakou Preserves, which are part of the Natural Area Partnership Program.

Testimony in support of the nomination of John Sinton was submitted by one state agency and three public citizens.

Dr. Sinton received his Bachelor's degree in Geology from the University of California at Santa Barbara, his Master's degree in Geology from the University of Oregon, and his Doctor of Philosophy in Geology from the University of Otago in New Zealand. He is presently employed as a Professor in the Department of Geology and Geophysics at the University of Hawaii at Manoa. Dr. Sinton satisfies the requirement that a member of the Natural Area Reserve System Commission be a person possessing scientific qualifications as evidenced by an academic degree in geology.

Dr. Sinton's experiences as a professor and lecturer have provided him the ability to explain geological concepts to diverse listeners. During his thirty-one years in Hawaii, he has developed a deep appreciation for Hawaii's native flora and fauna, and is an amateur botanist. Dr. Sinton previously served on the Hawaii State Earthquake Advisory Board, the Department of Land and Natural Resources Geothermal Geotechnical Advisory Committee, and as Chair of the Department of Geology and Geophysics at the University of Hawaii at Manoa. Additionally, he has advised the former State Geologist and previous Natural Area Reserve System commissioners. Dr. Sinton has a demonstrated understanding of the scientific principles necessary to inform the Commission, and a strong desire to contribute to the State's administration of its natural resources.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 1356 Health on S.C.R. No. 136**

The purpose of this measure is to encourage the creation of a chronic obstructive pulmonary disease module within the Centers for Disease Control and Prevention that will enable information on the potentially debilitating disease to be centralized and coordinated, leading to better sharing of key information and more research and funding for better and effective treatments.

Your Committee received testimony in support of this measure from the Hawaii Chronic Obstructive Pulmonary Disease Coalition.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appropriate funding for the establishment of a national chronic obstructive pulmonary disease program will enable information on the potentially debilitating disease to be centralized and coordinated, leading to better sharing of key information and more research and funding for better and effective treatments.

Your Committee has amended this measure by:

- (1) Changing the title to request the establishment of a Chronic Obstructive Pulmonary Disease program instead of a module, and other conforming amendments; and
- (2) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 136, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 136, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1357 Health on S.C.R. No. 158**

The purpose of this measure is to establish a legislative interim task force to identify and develop a Hawaii island model for a primary health care training and recruiting plan for rural and medically underserved areas of the State.

Your Committee receives testimony in support of this measure from the Hawaii Medical Association and the Hawaii Primary Care Association. Hawaii Medical Services Association supports this measure with amendments. Comments on this measure were submitted by the University of Hawaii System.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure is an important component to the rural health initiative and will assist in understanding the numerous problems that rural areas across the nation are facing in trying to recruit and retain physicians in underserved areas.

Your Committee has amended this measure by including, as ex-officio members of the task force:

- (1) The Director of the Bay Clinic, Inc., the federally qualified health center that serves the Hilo area;
- (2) A representative of the Hawaii Medical Association;
- (3) A representative of Hawaii Medical Services Association;
- (4) A representative of the Hawaii Chapter of the American Academy of Pediatrics;
- (5) A representative of The American College of Obstetricians and Gynecologists; and
- (6) A representative of the Hawaii Academy of Family Physicians.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 158, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1358 (Joint) Water, Land, Agriculture and Hawaiian Affairs, Economic Development and Technology and Higher Education on S.C.R. No. 154**

The purpose of this measure is to request the State Historic Preservation Division to:

- (1) Revive the 2006 Archaeological Working Group and complete the Working Group's report of recommendations;
- (2) Expand the 2006 Archaeological Working Group to include a broader range of the State's historic preservation groups;
- (3) Work in conjunction with the University of Hawaii at Manoa's Applied Archaeology graduate program to develop internship programs and hiring requirements for the State Historic Preservation Division; and
- (4) Identify training and educational opportunities for Burial Council members.

Testimony in support of this measure was submitted by one organization. Testimony in opposition to this measure was submitted by one state agency. Comments were submitted by one organization. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the work of the members of the 2006 Archeological Working Group is a valuable step toward addressing the State's historic preservation issues, and that the Working Group's report could be improved by incorporating additional perspectives. Your Committees also recognize the need to combine the contributions of the Working Group with other measures, such as preparing future archaeologists and current staff, as a more holistic and effective approach to addressing Hawaii's historic preservation issues.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water, Land, Agriculture, and Hawaiian Affairs and Economic Development and Technology and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 154, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 154, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Ige, Takamine, Taniguchi, Hemmings).

**SCRep. 1359 Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 173**

The purpose of this measure is to request the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, and the Kauai Police Department to enter into a memorandum of understanding regarding the enforcement of state laws and county ordinances at Anahola and Aliomanu Beach area.

Testimony in support of this measure was submitted by five public citizens. Two state agencies supported the intent of this measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Anahola and Aliomanu Beach area is the site of frequent nuisance activities including noisy gatherings, illegal bonfires, suspected illegal drug activity, and vehicular traffic on the beach. The Department of Land and Natural Resources has jurisdiction of the submerged areas, the Department of Hawaiian Home Lands has jurisdiction over the remaining portions but no law enforcement personnel on Kauai, and the Kauai Police Department does not have the proper equipment to perform law enforcement activities on the sand portion of the beach area. The residents of the Anahola-Aliomanu Community have raised their concerns to the involved departments, however, the jurisdictional problems remain. This measure will ensure that the departments work together to develop a memorandum of understanding to compromise for the enforcement of state laws and county ordinances.

Your Committee has amended this measure by adopting the recommendation of the Department of Land and Natural Resources, and requesting the Department of Hawaiian Home Lands to submit a copy of the memorandum of understanding and findings and recommendations to the Legislature.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 173, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 173, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Takamine, Hemmings).

**SCRep. 1360 Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 120**

The purpose of this measure is to request the Department of Land and Natural Resources, the Department of Hawaiian Home Lands, and the Kauai Police Department to enter into a memorandum of understanding regarding the enforcement of state laws and county ordinances at Anahola and Aliomanu Beach area.

Testimony in support of this measure was submitted by five public citizens. Two state agencies supported the intent of this measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Anahola and Aliomanu Beach area is the site of frequent nuisance activities including noisy gatherings, illegal bonfires, suspected illegal drug activity, and vehicular traffic on the beach. The Department of Land and Natural Resources has jurisdiction of the submerged areas, the Department of Hawaiian Home Lands has jurisdiction over the remaining portions but no law enforcement personnel on Kauai, and the Kauai Police Department does not have the proper equipment to perform law enforcement activities on the sand portion of the beach area. The residents of the Anahola-Aliomanu Community have raised their concerns to the involved departments, however, the jurisdictional problems remain. This measure will ensure that the departments work together to develop a memorandum of understanding to compromise for the enforcement of state laws and county ordinances.

Your Committee has amended this measure by adopting the recommendation of the Department of Land and Natural Resources, and requesting the Department of Hawaiian Home Lands to submit a copy of the memorandum of understanding and findings and recommendations to the Legislature.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 120, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 120, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Takamine, Hemmings).

**SCRep. 1361 Commerce and Consumer Protection on S.C.R. No. 96**

The purpose of this measure is to encourage the Real Estate Commission to allow developers and attorneys to submit condominium registration filings in electronic format.

Your Committee received testimony in support of this measure from the Real Property and Financial Services Section of the Hawaii State Bar Association, Case Lombardi & Pettit, and four private citizens. Testimony in opposition to this measure was received from the Real Estate Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Following hearing and discussion on this measure, your Committee is even more convinced of its necessity. Your Committee finds that the Condominium Education Trust Fund, the primary source of funding for the implementation of this measure, contains a more than adequate surplus to purchase and utilize any new technology that may be necessary. Your Committee further finds that electronic filing is a necessity in the current business environment and it is unreasonable of the Real Estate Commission to continue to delay the implementation of an electronic filing process. Your Committee finds that the perceived barriers to instituting electronic filing are easily surmountable with common and widely-available consumer hardware and software solutions.

Your Committee notes that under section 467-4, Hawaii Revised Statutes, the Real Estate Commission is required to annually report to the Governor and the Legislature "relevant information" including a summary of programs. However, your Committee finds that the implementation of electronic filing merits a separate and more detailed report.

Your Committee has amended this measure by:

- (1) Requesting that the Real Estate Commission adopt a strategic plan to implement electronic filing; and
- (2) Requesting that the Real Estate Commission report its strategic plan and a status report on the plan's implementation to the Legislature.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 96, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 96, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 1362 Commerce and Consumer Protection on S.R. No. 113**

The purpose of this measure is to encourage the Real Estate Commission to allow developers and attorneys to submit condominium registration filings in electronic format.

Your Committee received testimony in support of this measure from Case Lombardi & Pettit. Testimony in opposition to this was received from the Real Estate Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Following hearing and discussion on this measure, your Committee is even more convinced of its necessity. Your Committee finds that the Condominium Education Trust Fund, the primary source of funding for the implementation of this measure, contains a more than adequate surplus to purchase and utilize any new technology that may be necessary. Your Committee further finds that electronic filing is a necessity in the current business environment and it is unreasonable for the Real Estate Commission to continue to delay the implementation of an electronic filing process. Your Committee finds that the perceived barriers to instituting electronic filing are easily surmountable with common and widely-available consumer hardware and software solutions.

Your Committee notes that under section 467-4, Hawaii Revised Statutes, the Real Estate Commission is required to annually report to the Governor and the Legislature "relevant information" including a summary of programs. However, your Committee finds that the implementation of electronic filing merits a separate and more detailed report.

Your Committee has amended this measure by:

- (1) Requesting that the Real Estate Commission adopt a strategic plan to implement electronic filing; and
- (2) Requesting that the Real Estate Commission report its strategic plan and a status report on the plan's implementation to the Legislature prior to the 2010 Regular Session.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 1363 Ways and Means on S.C.R. No. 84**

The purpose of this measure is to request the State Auditor to conduct an immediate financial statement audit of the Waters of Life Public Charter School for fiscal years 2006-2007 and 2007-2008.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that it is of utmost importance to ensure that state funds are used responsibly. The State Auditor conducted an audit of the Waters of Life Public Charter School in 2005 and found that the school's disregard for sound governance and business practices has placed its continued viability at risk. Subsequently, the Waters of Life Public Charter School was unable to provide an independent auditor the supporting documents it needed to conduct an audit of fiscal year 2005-2006. The deficiency caused the independent auditor to issue a disclaimed opinion and withdraw from undertaking the audits of fiscal years 2006-2007 and 2007-2008. As a result, the Charter School Review Panel has been unable to find another independent auditor willing to immediately conduct the audits. For these reasons, your Committee finds that an immediate financial statement audit of the Waters of Life Public Charter School should be conducted by the State Auditor for fiscal years 2006-2007 and 2007-2008.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 84 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1364      Ways and Means on S.C.R. No. 39**

The purpose of this measure is to urge the Governor to include Kukui Gardens in the State's list of projects submitted for inclusion in the President's proposed economic stimulus plan.

Your Committee received three written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that it is necessary to preserve the Kukui Gardens affordable housing project due to the State's diminishing supply of affordable housing. Currently, the company that owns Kukui Gardens has plans to convert half of the affordable housing units into market-rate housing and to sell the other half to the nonprofit Ecumenical Association for Housing, an organization that intends to preserve its portion as affordable housing. With the recent sluggish economy, however, investors, developers, and funding sources are hesitant to assist the Ecumenical Association for Housing. Your Committee believes that the President's economic stimulus plan is the ideal source of funding to assist the Ecumenical Association for Housing to preserve Kukui Gardens as affordable housing.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 39, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1365      Ways and Means on S.C.R. No. 31**

The purpose of this measure is to request the Auditor to conduct a review of the performance of the management of the Puuwai Momi and West Oahu asset management projects.

More specifically, the purpose of the review is to compare the performance of state operated and privately operated public housing properties, and to determine the relative contributions of funding levels, mismanagement, and tenant and visitor actions to the failure to meet performance standards for these properties.

Your Committee finds that there have been long-standing problems relating to the management and maintenance of many of the public housing projects managed by the Hawaii Public Housing Authority. These problems have culminated in federal and state class action lawsuits in December 2008, on behalf of residents at two of the largest and oldest housing projects managed by the Hawaii Public Housing Authority. Your Committee further notes that the Hawaii Public Housing Authority is extensively monitored and audited by the federal Department of Housing and Urban Development, which found in 2008 that four asset management projects failed to meet federal requirements for physical conditions of the projects. Of these four projects, two were directly managed and operated by the Hawaii Public Housing Authority, while the other two were managed and operated by privately contracted property managers.

Your Committee believes that a review by the Auditor of the performance of the management of two asset management projects, one directly operated by the Hawaii Public Housing Authority and one operated by a private property management company, to compare the performance of state operated and privately operated projects will be useful in identifying the underlying problems relating to the management of public housing projects. Further, a review and determination of the relative contributions of funding levels, mismanagement, and tenant and visitor actions to the failure of these properties to meet performance standards will assist in formulating solutions to the problems.

Your Committee has amended this measure by making technical changes for purposes of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 31, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 31, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kokubun, Tokuda).

**SCRep. 1366      Ways and Means on S.C.R. No. 34**

The purpose of this measure is to request the Department of Education to examine the fiscal, curriculum, and other impacts of a four-day school week for school complexes.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the implementation of a four-day school week has been adopted in select districts in seventeen other states, and legislatures in six other states have introduced similar proposals. Experience at Maili Elementary School on Oahu, as well as at schools in other states, has shown that the shorter work week resulted in:

- (1) Improved teacher recruitment and retention;
- (2) Savings on bus transportation, food service, and utilities;

- (3) Improvements in campus maintenance;
- (4) No adverse impact on student achievement; and
- (5) A positive impact on student attendance.

Accordingly, your Committee believes that a feasibility study is warranted to examine the fiscal, curriculum, and other impacts of a four-day school week for school complexes in the State.

Your Committee amended this measure by making technical amendments for clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 34, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 34, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 8. Noes, none. Excused, 4 (English, Hee, Kokubun, Tokuda).

**SCRep. 1367      Ways and Means on S.C.R. No. 35**

The purpose of this measure is to request the Auditor to perform a sunrise review regarding the licensure of athletic trainers.

Your Committee received four written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that athletic trainers are health care professionals who specialize in the prevention, assessment, treatment, referral, and rehabilitation of injuries sustained by athletes of all ages and others engaged in physical activity. Your Committee believes that licensure of athletic trainers would require athletic trainers to demonstrate a minimum competency in their profession. Your Committee finds that this would protect the health and safety of the public by ensuring that only qualified persons are providing athletic training services.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 35, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 35, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1368      Ways and Means on S.R. No. 66**

The purpose of this measure is to form a joint legislative procurement working group to evaluate the state procurement code, recommend improvements, and report its findings to the Legislature.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Procurement Code and its accompanying administrative rules result in a complex process that often results in needless delays in the awarding of public contracts. Your Committee further finds that the procurement process should be streamlined and serve as a vehicle for providing an economic advantage to local businesses. The procurement code is in need of review by a joint legislative procurement working group to find efficiencies and to improve its effectiveness.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 66, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 66, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1369      Ways and Means on S.C.R. No. 53**

The purpose of this measure is to request the State Auditor to conduct a sunrise review of the regulation of real estate appraisal management companies.

Your Committee received five written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that during the national rise in housing prices from 2002 to 2007, some real estate and financial companies used deceptive tactics to sell mortgages to people who could not afford home ownership. These activities contributed to the subprime mortgage disaster that has crippled the national and state economies and caused many people to lose their homes to foreclosure. In some cases, real estate appraisals were prepared in such a way as to meet lender requirements rather than reflect the actual value of the property being financed.

Your Committee further finds that unlike regulated real estate appraisers, real estate appraisal companies are not subject to regulation. Your Committee believes that a sunrise review conducted by the State Auditor would be beneficial to determine whether

real estate appraisal companies require the same level of regulation as other real estate and financial professionals and institutions in order to protect consumers from deceptive practices.

Your Committee has amended this measure by making technical amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 53, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1370 Ways and Means on S.C.R. No. 68**

The purpose of this measure is to request the State Auditor to conduct a management and performance audit of the Board of Trustees of the state deferred compensation plan.

Your Committee received sixty-eight comments on the measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that public employees depend upon the state deferred compensation program to achieve a secure retirement, especially those who remain in the non-contributory retirement plan. Therefore, it is of critical importance that the Board of Trustees and its plan administrator provide timely, accurate, and easily accessible information to employees about their individual accounts. The audit requested by this measure will provide answers to questions about how their employees' deferred compensation funds are managed. The audit will also yield recommendations that will help employees keep abreast of these issues in the future.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 68, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 68, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1371 Ways and Means on S.C.R. No. 78**

The purpose of this measure is to authorize the issuance of a non-exclusive easement over state submerged lands near 5900 lower Honoapiilani Road in Lahaina, Maui, to allow Napili Kai, Ltd., to make repairs to its condominium.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the prior authorization of the Legislature by concurrent resolution for the Board of Land and Natural Resources to lease state submerged lands. This measure will allow the issuance of a non-exclusive easement as recommended by the Department of Land and Natural Resources, enabling Napili Kai, Ltd. to enlarge and improve the condominium's existing swimming pool.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1372 Ways and Means on S.C.R. No. 108**

The purpose of this measure is to form a joint legislative procurement working group to evaluate the state procurement code, recommend improvements, and report its findings to the Legislature.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the Hawaii Procurement Code and its accompanying administrative rules result in a complex process that often results in needless delays in the awarding of public contracts. Your Committee further finds that the procurement process should be streamlined and serve as a vehicle for providing an economic advantage to local businesses. The procurement code is in need of review by a joint legislative procurement working group to find efficiencies and to improve its effectiveness.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 108, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1373 Ways and Means on S.C.R. No. 170**

The purpose of this measure is to convene a Hawaii Health Care Summit to develop a strategic and comprehensive plan for health care in Hawaii.

Specifically, this measure:

- (1) Expresses the intent to include all stakeholders;
- (2) Specifies membership on the Hawaii Health Care Summit totaling twenty-five members;
- (3) Expresses the intent to reimburse members for necessary expenses, including travel expenses;
- (4) Specifies the minimum contents of the strategic and comprehensive plan to include:
  - (A) A plan for an improved emergency and trauma system;
  - (B) A plan for fair reimbursements from government and private payers to health care providers;
  - (C) A plan for strengthening the financial performance of hospitals and long-term care facilities;
  - (D) A workforce development plan for physicians, particularly addressing rural communities and medical specialties, that includes the establishment of a process for the comprehensive assessment and projection of workforce needs;
  - (E) A workforce development plan for other health care professionals; and
  - (F) A health information technology plan that is consistent with federal efforts to accelerate the use of electronic health records;
- (5) Directs the Summit to report to the Legislature and the Auditor twenty days prior to the convening of the Regular Session of 2010;
- (6) Directs the Auditor, after receipt of the Summit report, to:
  - (A) Prepare the Hawaii Health Care Summit plan, incorporating all or a portion of the recommendations reported by the Hawaii Health Care Summit;
  - (B) Seek input from all state departments and solicit public views and concerns in preparation of the plan;
  - (C) Submit the Hawaii Health Care Summit plan to the Legislature no later than twenty days before the convening of the Regular Session of 2011; and
  - (D) Update the plan every ten years and report to the Legislature; and
- (7) Terminates the Hawaii Health Care Summit after the adjournment sine die of the 2010 Regular Session of the Legislature.

Your Committee received eight written comments on this measure. The written comments may be reviewed on the Legislature's website.

Your Committee finds that the strategic and comprehensive plan for health care in Hawaii required by this measure is necessary to develop an effective solution for health care in the State.

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

- (1) Clarifying that the Hawaii Health Summit has twenty-six members, rather than twenty-five;
- (2) Adding the Chief Executive Officer of the Healthcare Association of Hawaii as a member of the Hawaii Healthcare Summit and to the list of those who are to receive a copy of this concurrent resolution; and
- (3) Making other technical amendments for the purpose of clarity and accuracy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 170, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 170, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1374      Ways and Means on S.C.R. No. 188**

The purpose of this measure is to request the Governor to accept the recommendations of the working group formed by Hawaii's congressional delegation to determine the most appropriate uses of State Fiscal Stabilization Fund moneys and to authorize the expenditure of State Fiscal Stabilization Fund moneys in accordance with the recommendations of the working group.

The measure also discusses specific recommendations made by the state Department of Education and the University of Hawaii, as of March 31, 2009, regarding their agreement on the use of federal funds in a two-part proposal for State Fiscal Stabilization Fund moneys under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the recent proposal by the Governor regarding the use of the State Fiscal Stabilization Fund moneys to offset the current budget deficit, rather than the intended use to advance educational reforms, has generated considerable controversy. Your Committee recognizes the looming budget shortfalls facing the State but believes that using the State Fiscal Stabilization Fund moneys to offset the deficit would be in direct conflict with the requirements of the American Recovery and Reinvestment Act. Therefore your Committee concurs with the subject matter Committee in full support of this Concurrent Resolution.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 188, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 188, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 3 (Hee, Kokubun, Tokuda).

**SCRep. 1375 Commerce and Consumer Protection on S.C.R. No. 95**

The purpose of this measure is to encourage the Real Estate Commission to modify and adopt administrative rules to reflect changes to the condominium law under chapter 514B, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Real Property and Financial Services Section of the Hawaii State Bar Association, Case Lombardi & Pettit, and four private citizens. Testimony in opposition to this measure was received from the Real Estate Commission. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the administrative rules relating to condominiums, chapter 107 Hawaii Administrative Rules, have not been substantially updated since 1981. Your Committee finds that although the Legislature instituted sweeping changes to the condominium property regime law by enacting and implementing chapter 514B, Hawaii Revised Statutes, in its 2004, 2005, and 2006 Regular Sessions, the Real Estate Commission has not begun to address any of these changes in its administrative rules, despite the passage of almost three years since the last major statutory changes. Your Committee further finds that in the absence of sufficient and proper administrative rules, the Real Estate Commission currently relies on the practice of issuing nonbinding opinions and grants precedential value to those opinions in interpreting questions, processing applications, and determining effective dates for public reports. Your Committee finds that this practice, especially in the context of the Real Estate Commission's failure to begin the rule-adoption process, is a violation of chapter 91, Hawaii Revised Statutes.

Your Committee notes the testimony of the Real Estate Commission that the Commission is engaged in some activities such as community outreach that may be viewed as preliminary steps in the rulemaking process. However, given the Real Estate Commission's record of lengthy delays and the fact that almost three years have passed since the enactment of chapter 514B, Hawaii Revised Statutes, your Committee respectfully disagrees that the Real Estate Commission is likely to adopt rules in a timely manner without outside intervention. Further, your Committee finds that where the Real Estate Commission is unable or unwilling to timely enact administrative rules necessary to effectuate the purpose of validly enacted statutes, it becomes the role of the Legislature to intervene.

Your Committee has amended this measure by:

- (1) Clarifying that the Real Estate Commission shall move expeditiously toward enacting rules to effectuate the condominium property regime laws; and
- (2) Replacing the target date of December 31, 2009 for the enactment of rules with a target date of the beginning of the Real Estate Commission's next fiscal year for public hearings on proposed rules.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee 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 the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Green, Hemmings).

**SCRep. 1376 Economic Development and Technology on S.C.R. No. 183**

The purpose of this measure is to urge full preservation of the World War II Honouliuli internment camp as a national monument, museum, and memorial park for the State of Hawaii.

Testimony in support of this measure was submitted by Japanese Cultural Center of Hawaii, Japanese American Citizens League Honolulu Chapter, and two concerned individuals. Comments on this measure were submitted by the Department of Land and Natural Resources. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that recognition and preservation of the Honouliuli internment camp as a national monument, museum, and memorial park will assist the site in serving as an educational tool for the residents and visitors of Hawaii. Your Committee also finds that legislation which complements this measure is currently before the United States Congress and it provides encouragement and support for the State to designate Honouliuli internment camp as a national monument, museum, and memorial park.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 183, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 183, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1377 Economic Development and Technology on S.R. No. 91**

The purpose of this measure is to honor the historical importance of the Falls of Clyde in Hawaii's maritime history by requesting the State to recognize it as a sailing symbol of Hawaii.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the ocean and the maritime history surrounding the State have played a pivotal role in many of the cultures, traditions, and history that encompass the State. Your Committee also finds that the role of the Falls of Clyde was vital in shaping maritime history in the State and thus the Falls of Clyde should be recognized as a sailing symbol of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 91, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 91, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1378 Economic Development and Technology on S.C.R. No. 138**

The purpose of this measure is to honor the historical importance of the Falls of Clyde in Hawaii's maritime history by requesting the State to recognize it as a sailing symbol of Hawaii.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the ocean and the maritime history surrounding the State have played a pivotal role in many of the cultures, traditions, and history that encompass the State. Your Committee also finds that the role of the Falls of Clyde was vital in shaping maritime history in the State and thus the Falls of Clyde should be recognized as a sailing symbol of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1379 Economic Development and Technology on S.C.R. No. 152**

The purpose of this measure is to urge the United States Department of the Interior to place Iolani Palace on the nomination list to the United Nations Educational, Scientific, and Cultural Organizations for World Heritage Site designation.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and Iolani Palace. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Iolani Palace is truly a historic landmark and symbol of Hawaii that is recognized throughout the world. Your Committee also finds that the nomination and subsequent recognition of Iolani Palace as a World Heritage Site will greatly enhance the visibility and further worldwide recognition of Iolani Palace. Your Committee further finds that the designation of Iolani Palace as a World Heritage Site may help to secure new funding sources that can be used to preserve or restore Iolani Palace.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of the Interior is urged to assist the Friends of Iolani Palace in preparing a nomination to the United States World Heritage Tentative List and to give that nomination its full consideration when selecting sites to include on the current United States World Heritage Tentative List;
- (2) Adding Princess Abigail Kinoiki Kekaulike Kawananakoa on the list of recipients to be transmitted a certified copy of this measure; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1380 Economic Development and Technology on S.R. No. 104**

The purpose of this measure is to urge the United States Department of the Interior to place Iolani Palace on the nomination list to the United Nations Educational, Scientific, and Cultural Organizations for World Heritage Site designation.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and Iolani Palace. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Iolani Palace is truly a historic landmark and symbol of Hawaii that is recognized throughout the world. Your Committee also finds that the nomination and subsequent recognition of Iolani Palace as a World Heritage Site will greatly

enhance the visibility and further worldwide recognition of Iolani Palace. Your Committee further finds that the designation of Iolani Palace as a World Heritage Site may help to secure new funding sources that can be used to preserve or restore Iolani Palace.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of the Interior is urged to assist the Friends of Iolani Palace in preparing a nomination to the United States World Heritage Tentative List and to give that nomination its full consideration when selecting sites to include on the current United States World Heritage Tentative List;
- (2) Adding Princess Abigail Kinoiki Kekaulike Kawananakoa on the list of recipients to be transmitted a certified copy of this measure; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 104, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1381 Public Safety and Military Affairs on S.C.R. No. 91**

The purpose of this measure is to request the Department of Public Safety to identify a plan to collect unadjudicated fines and to consolidate its backlog of warrants.

Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the extensive backlog of warrants that currently exists within the State's criminal justice system has led to a severe administrative burden and untimely operation of serving warrants. Your Committee also finds that requiring the Department of Public Safety to consolidate their efforts to reduce the backlog of warrants with other public and private agencies or stakeholders will alleviate the administrative burden and allow the criminal justice system to operate in a more swift, timely, and just manner.

Your Committee has amended this measure by:

- (1) Deleting the request for the Department of Public Safety to identify a plan to collect unadjudicated fines; and
- (2) Requesting the Department of Public Safety to work with other public and private agencies or stakeholders in providing recommendations to the Legislature on how to resolve the backlog of warrants.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 91, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 91, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1382 Public Safety and Military Affairs on S.R. No. 56**

The purpose of this measure is to request the Department of Public Safety to identify a plan to collect unadjudicated fines and to consolidate its backlog of warrants.

Testimony in opposition of this measure was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the extensive backlog of warrants that currently exists within the State's criminal justice system has led to a severe administrative burden and untimely operation of serving warrants. Your Committee also finds that requiring the Department of Public Safety to consolidate their efforts to reduce the backlog of warrants with other public and private agencies or stakeholders will alleviate the administrative burden and allow the criminal justice system to operate in a more swift, timely, and just manner.

Your Committee has amended this measure by:

- (1) Deleting the request for the Department of Public Safety to identify a plan to collect unadjudicated fines; and
- (2) Requesting the Department of Public Safety to work with other public and private agencies or stakeholders in providing recommendations to the Legislature on how to resolve the backlog of warrants.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1383 Public Safety and Military Affairs on S.C.R. No. 55**

The purpose of this measure is to request state and local law enforcement officers to abide by state laws relating to the medical use of marijuana.

Testimony in support of this measure was submitted by two private organizations and one individual. Testimony in opposition of this measure was submitted by one state agency and three county agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the benefits from the prescribed medical use of marijuana outweigh the legal concerns of state and local law enforcement officers of their duty to confiscate and criminalize the use of marijuana. Your Committee also finds that the medical use of cannabis is permitted under the existing laws of the State of Hawaii. Your Committee further finds that the prescribed medical use of marijuana has helped many severely-ill people in Hawaii in a safe and cost-effective manner in comparison to other alternative treatment measures that those patients would have to endure to receive adequate treatment or care.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 55, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 55, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1384 Public Safety and Military Affairs on S.R. No. 32**

The purpose of this measure is to request state and local law enforcement officers to abide by state laws relating to the medical use of marijuana.

Testimony in support of this measure was submitted by two private organizations and one individual. Testimony in opposition of this measure was submitted by one state agency and three county agencies. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the benefits from the prescribed medical use of marijuana outweigh the legal concerns of state and local law enforcement officers of their duty to confiscate and criminalize the use of marijuana. Your Committee also finds that the medical use of cannabis is permitted under the existing laws of the State of Hawaii. Your Committee further finds that the prescribed medical use of marijuana has helped many severely-ill people in Hawaii in a safe and cost-effective manner in comparison to other alternative treatment measures that those patients would have to endure to receive adequate treatment or care.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1385 Human Services on S.C.R. No. 105**

The purpose of this measure is to urge public and private agencies to encourage their parent clients to turn on closed captioning when their children watch television.

Testimony in support of this measure was submitted by one individual. Testimony in opposition was submitted by the Department of Education. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that closed captioning has the ability to enhance vocabulary, reading speed, word association, and spelling. Your Committee understands that closed captioning is not accurate one hundred per cent of the time and certain style preferences used in closed captioning are different than those used in school writing classes, however, your Committee believes the merits outweigh these concerns. Adults can benefit from reading the closed captioning on television, as it helps a reader develop English skills and identify errors in spelling, which is a rapid brain problem solving skill. Television is becoming a large part of the family dynamic, and by using closed captioning the television can become a tool to help both adults and children improve their reading skills.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 105, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1386 Higher Education on S.C.R. No. 155**

The purpose of this measure is to:

- (1) Support Hawaii's continued participation in the Western Interstate Commission for Higher Education (WICHE) and the educational and other benefits provided through forty years of Hawaii's membership in WICHE; and



- (2) Encourage the University of Hawaii System to find additional ways to participate in WICHE activities and collaborate with the other members of WICHE.

Testimony in support of this measure was submitted by the Western Interstate Commission for Higher Education. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that participation in WICHE provides access to educational alternatives that would otherwise be difficult or impossible for Hawaii students to pursue. In addition to a successful professional student exchange program that assists Hawaii students in obtaining professional degrees in programs unavailable in Hawaii, WICHE has developed and supported both undergraduate and graduate exchange programs with little cost to the State other than its membership dues.

Your Committee also understands that last year the Community Colleges agreed to participate in the exchange programs, which will add educational opportunities for many more students. This is particularly important given the difficult economic situation, and your Committee commends WICHE and its dedicated staff of professionals in their efforts to improve access to higher education and to develop a successful, educated workforce.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 155 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1387 Higher Education on S.R. No. 106**

The purpose of this measure is to:

- (1) Support Hawaii's continued participation in the Western Interstate Commission for Higher Education (WICHE) and the educational and other benefits provided through forty years of Hawaii's membership in WICHE; and
- (2) Encourage the University of Hawaii System to find additional ways to participate in WICHE activities and collaborate with the other members of WICHE.

Testimony in support of this measure was submitted by the Western Interstate Commission for Higher Education. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that participation in WICHE provides access to educational alternatives that would otherwise be difficult or impossible for Hawaii students to pursue. In addition to a successful professional student exchange program that assists Hawaii students in obtaining professional degrees in programs unavailable in Hawaii, WICHE has developed and supported both undergraduate and graduate exchange programs with little cost to the State other than its membership dues.

Your Committee also understands that last year the Community Colleges agreed to participate in the exchange programs, which will add educational opportunities for many more students. This is particularly important given the difficult economic situation, and your Committee commends WICHE and its dedicated staff of professionals in their efforts to improve access to higher education and to develop a successful, educated workforce.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 106 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1388 Higher Education on S.C.R. No. 153**

The purpose of this measure is to request the University of Hawaii System to:

- (1) In consultation with the Council of Chief Academic Officers, develop a comprehensive approach to the teaching of engineering at University campuses statewide; and
- (2) Submit its findings and recommendations, including any budgetary requests and proposed legislation, to the 2010 Legislature.

Testimony in support of this measure was submitted by the University of Hawaii System and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the University of Hawaii System Vice President for Academic Planning and Policy has convened a system wide engineering group for a comprehensive review of the teaching of engineering statewide to address the workforce needs of the State and the efficient and effective use of University resources. Your Committee understands that the University of Hawaii Board of Regents policies require Board approval for the establishment of all instructional and research programs, after review at the campus and system levels and upon recommendation of the President.

Your Committee further finds that the review process will consider many of the questions posed in this measure, including State workforce and education needs; cost of new program development and implementation; ongoing costs; and the institution's ability to sustain the program financially and with appropriate academic quality.

Your Committee has amended this measure to incorporate recommendations by the parties involved, by:

- (1) Amending the title to read: REQUESTING THE UNIVERSITY OF HAWAII SYSTEM TO DEVELOP A COMPREHENSIVE APPROACH TO THE TEACHING AND TRAINING OF ENGINEERING AT UNIVERSITY CAMPUSES STATEWIDE;

- (2) Adding a Whereas clause regarding support for science, technology, engineering, and mathematics (STEM) research, educational, and training programs on Neighbor Islands;
- (3) Adding to the entities to be consulted, and to those receiving certified copies of the Concurrent Resolution, the University of Hawaii System Vice President for Research, University of Hawaii System Vice President for Academic Planning and Policy, University of Hawaii at Manoa Vice Chancellor for Research, and University of Hawaii at Hilo Vice Chancellor for Research; and
- (4) Adding to the list of considerations, the provision of adequate and accessible engineering education and facilities designed to meet the opportunities and needs of Neighbor Island communities; and an evaluation of the current proposals by the University of Hawaii at Hilo to establish an applied-oriented undergraduate Bachelor of Science degree engineering program.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 153, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 153, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1389 Higher Education on S.R. No. 105**

The purpose of this measure is to request the University of Hawaii System to:

- (1) In consultation with the Council of Chief Academic Officers, develop a comprehensive approach to the teaching of engineering at University campuses statewide; and
- (2) Submit its findings and recommendations, including any budgetary requests and proposed legislation, to the 2010 Legislature.

Testimony in support of this measure was submitted by the University of Hawaii System and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the University of Hawaii System Vice President for Academic Planning and Policy has convened a system wide engineering group for a comprehensive review of the teaching of engineering statewide to address the workforce needs of the State and the efficient and effective use of University resources. Your Committee understands that the University of Hawaii Board of Regents policies require Board approval for the establishment of all instructional and research programs, after review at the campus and system levels and upon recommendation of the President.

Your Committee further finds that the review process will consider many of the questions posed in this measure, including State workforce and education needs; cost of new program development and implementation; ongoing costs; and the institution's ability to sustain the program financially and with appropriate academic quality.

Your Committee has amended this measure to incorporate recommendations by the parties involved, by:

- (1) Amending the title to read: REQUESTING THE UNIVERSITY OF HAWAII SYSTEM TO DEVELOP A COMPREHENSIVE APPROACH TO THE TEACHING AND TRAINING OF ENGINEERING AT UNIVERSITY CAMPUSES STATEWIDE;
- (2) Adding a Whereas clause regarding support for science, technology, engineering, and mathematics (STEM) research, educational, and training programs on Neighbor Islands;
- (3) Adding to the entities to be consulted, and to those receiving certified copies of the Concurrent Resolution, the University of Hawaii System Vice President for Research, University of Hawaii System Vice President for Academic Planning and Policy, University of Hawaii at Manoa Vice Chancellor for Research, and University of Hawaii at Hilo Vice Chancellor for Research; and
- (4) Adding to the list of considerations, the provision of adequate and accessible engineering education and facilities designed to meet the opportunities and needs of Neighbor Island communities; and an evaluation of the current proposals by the University of Hawaii at Hilo to establish an applied-oriented undergraduate Bachelor of Science degree engineering program.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1390 Higher Education on S.C.R. No. 97**

The purpose of this measure is to encourage the College of Engineering of the University of Hawaii to:

- (1) Create an undergraduate certificate program for robotics and exploration; and
- (2) Ensure that the certification program is in compliance with the University's academic standards and accreditation policies; and
- (3) Submit a report on the development of the robotics and exploration certificate program to the 2010 Legislature.

Testimony in support of this measure was submitted by one individual. One individual provided testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, while there is support for the intent of this measure, the University has expressed concerns regarding the creation of a new program when the University faces severe budget reductions over the next two years, if not longer.

Your Committee understands these concerns, but believes that the concept of an undergraduate certificate program for robotics and exploration has merit and would benefit from further review.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: ENCOURAGING THE UNIVERSITY OF HAWAII COLLEGE OF ENGINEERING TO CONSIDER THE FEASIBILITY OF ESTABLISHING AN UNDERGRADUATE CERTIFICATE OF ROBOTICS AND EXPLORATION PROGRAM;
- (2) Amending the BE IT RESOLVED clauses to reflect this change;
- (3) Requesting an interim report to the 2010 Legislature and a final report to the 2011 Legislature; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 97, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1391 Higher Education on S.R. No. 59**

The purpose of this measure is to encourage the College of Engineering of the University of Hawaii to:

- (1) Create an undergraduate certificate program for robotics and exploration; and
- (2) Ensure that the certification program is in compliance with the University's academic standards and accreditation policies; and
- (3) Submit a report on the development of the robotics and exploration certificate program to the 2010 Legislature.

Testimony in support of this measure was submitted by one individual. One individual provided testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, while there is support for the intent of this measure, the University has expressed concerns regarding the creation of a new program when the University faces severe budget reductions over the next two years, if not longer.

Your Committee understands these concerns, but believes that the concept of an undergraduate certificate program for robotics and exploration has merit and would benefit from further review.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: ENCOURAGING THE UNIVERSITY OF HAWAII COLLEGE OF ENGINEERING TO CONSIDER THE FEASIBILITY OF ESTABLISHING AN UNDERGRADUATE CERTIFICATE OF ROBOTICS AND EXPLORATION PROGRAM;
- (2) Amending the BE IT RESOLVED clauses to reflect this change;
- (3) Requesting an interim report to the 2010 Legislature and a final report to the 2011 Legislature; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 59, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 59, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1392 (Joint) Higher Education and Economic Development and Technology on S.C.R. No. 122**

The purpose of this measure is to urge the University of Hawaii at Hilo to:

- (1) Consider the feasibility of establishing an Office of the Vice Chancellor for Research and Economic Development at the University of Hawaii at Hilo; and
- (2) Report its findings and recommendations, including any budget requests and proposed legislation, to the 2010 Legislature.

Testimony in support of this measure was submitted by the University of Hawaii System, University of Hawaii at Hilo, and the High Technology Development Corporation. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that this measure will assist the University of Hawaii at Hilo in supporting the development and implementation of high impact research and undergraduate degree program initiatives that address State priorities, as well as providing essential research experiences for University of Hawaii at Hilo STEM (science, technology, engineering, and mathematics) students. Your Committees further find that these initiatives contribute to the State's efforts to provide education and training necessary to develop a highly qualified and globally competitive science and technology workforce.

Your Committees have amended this measure by:

- (1) Amending the title to read: URGING THE UNIVERSITY OF HAWAII AT HILO, IN CONSULTATION WITH THE UNIVERSITY OF HAWAII SYSTEM VICE PRESIDENT FOR RESEARCH, TO CONSIDER THE FEASIBILITY OF ESTABLISHING AN OFFICE OF THE VICE CHANCELLOR FOR RESEARCH AND ECONOMIC DEVELOPMENT AT THE UNIVERSITY OF HAWAII AT HILO;
- (2) Adding “in consultation with the University of Hawaii System Vice President for Research” to the first Be It Resolved clause;
- (3) Adding to the issues to be considered: cost effective use of indirect and overhead funds generated by research grants; and the responsibility of the Office in oversight of compliance with federal and state policies, including post-award monitoring, effort reporting, and audits, regarding research grants at the University of Hawaii at Hilo; and
- (4) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 122, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 122, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Hee, Ige, Kokubun, Sakamoto, Taniguchi).

**SCRep. 1393 (Joint) Higher Education and Economic Development and Technology on S.R. No. 80**

The purpose of this measure is to urge the University of Hawaii at Hilo to:

- (1) Consider the feasibility of establishing an Office of the Vice Chancellor for Research and Economic Development at the University of Hawaii at Hilo; and
- (2) Report its findings and recommendations, including any budget requests and proposed legislation, to the 2010 Legislature.

Testimony in support of this measure was submitted by the University of Hawaii System, University of Hawaii at Hilo, and the High Technology Development Corporation. Written testimony presented to the Committees may be reviewed on the Legislature’s website.

Your Committees find that this measure will assist the University of Hawaii at Hilo in supporting the development and implementation of high impact research and undergraduate degree program initiatives that address State priorities, as well as providing essential research experiences for University of Hawaii at Hilo STEM (science, technology, engineering, and mathematics) students. Your Committees further find that these initiatives contribute to the State’s efforts to provide education and training necessary to develop a highly qualified and globally competitive science and technology workforce.

Your Committees have amended this measure by:

- (1) Amending the title to read: URGING THE UNIVERSITY OF HAWAII AT HILO, IN CONSULTATION WITH THE UNIVERSITY OF HAWAII SYSTEM VICE PRESIDENT FOR RESEARCH, TO CONSIDER THE FEASIBILITY OF ESTABLISHING AN OFFICE OF THE VICE CHANCELLOR FOR RESEARCH AND ECONOMIC DEVELOPMENT AT THE UNIVERSITY OF HAWAII AT HILO;
- (2) Adding “in consultation with the University of Hawaii System Vice President for Research” to the first Be It Resolved clause;
- (3) Adding to the issues to be considered: cost effective use of indirect and overhead funds generated by research grants; and the responsibility of the Office in oversight of compliance with federal and state policies, including post-award monitoring, effort reporting, and audits, regarding research grants at the University of Hawaii at Hilo; and
- (4) Making technical amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 80, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 80, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 5 (Hee, Ige, Kokubun, Sakamoto, Taniguchi).

**SCRep. 1394 Labor on S.C.R. No. 132**

The purpose of this measure is to request the Senate President and the Speaker of the House of Representatives to establish a task force to determine the economic value of construction in Hawaii.

Testimony in support of this measure was submitted by three organizations. Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that the health of Hawaii’s construction, housing, and tourism industries anchors the local economy. Your Committee further finds that the current economic situation calls for state support of construction projects that would stimulate tourism and encourage the recovery of other local industries.

Furthermore, your Committee finds that due to the magnitude and anticipated duration of the current recession, the task force proposed by this measure should include within the scope of its duties recommendations on proposed state actions to preserve and create new jobs in the local construction industry and recommendations on the implementation of the proposed state actions, including a timeline for implementation.

Accordingly, your Committee has amended this measure as follows:

- (1) By clarifying who, between the Senate President and Speaker of the House of Representatives, appoints the landowner representatives;
- (2) By requesting the task force to develop and propose state actions for the purpose of preserving and creating new jobs in the local construction industry and to determine the anticipated impact of those actions on the State's economy;
- (3) By requesting the task force to make recommendations on the implementation of any proposed state actions developed by the task force, as well as a timeline for the implementation of those state actions; and
- (4) By making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee 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 the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1395 Labor on S.R. No. 87**

The purpose of this measure is to request the Senate President to establish a task force to determine the economic value of construction in Hawaii.

Testimony in support of this measure was submitted by three organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the health of Hawaii's construction, housing, and tourism industries anchors the local economy. Your Committee further finds that the current economic situation calls for state support of construction projects that would stimulate tourism and encourage the recovery of other local industries.

Furthermore, your Committee finds that due to the magnitude and anticipated duration of the current recession, the task force proposed by this measure should include within the scope of its duties recommendations on proposed state actions to preserve and create new jobs in the local construction industry and recommendations on the implementation of the proposed state actions, including a timeline for implementation.

Accordingly, your Committee has amended this measure as follows:

- (1) By clarifying that the Senate President appoints all task force members;
- (2) By requesting the task force to develop and propose state actions for the purpose of preserving and creating new jobs in the local construction industry and to determine the anticipated impact of those actions on the State's economy;
- (3) By requesting the task force to make recommendations on the implementation of any proposed state actions developed by the task force, as well as a timeline for the implementation of those state actions; and
- (4) By making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 87, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 87, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1396 (Joint) Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture and Hawaiian Affairs on S.C.R. No. 71**

The purpose of this measure is to request the Office of the Governor to convene a Scenic Byways Working Group to select possible sites statewide, including the Pi'ilani Trail on Maui, for proposed federal designation as scenic byways and to develop the federally required corridor management plan, as defined in the National Scenic Byways Program Interim Policy.

Your Committees received testimony in support of this measure from the Department of Transportation; one Maui County Council Member; and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure also requests the Office of the Governor to:

- (1) Include in the Scenic Byways Working Group representatives from the Departments of Transportation, Land and Natural Resources, and Business, Economic Development, and Tourism, relevant county agencies, and representatives from community groups residing in areas where proposed scenic byways are located;
- (2) Consult with and invite representatives from the Federal Highway Administration and any other relevant federal agency to participate in the deliberations of the Scenic Byways Working Group; and
- (3) Act upon the findings and recommendations of the Scenic Byways Working Group by submitting (A) nominations of roads selected by the Working Group for designation as scenic byways, and (B) applications for federal funding to support the promotion, maintenance, and repair of these roads, to the Federal Highway Administration of the United States Department of Transportation.

The Governor is also requested to submit a report to the 2010 Legislature on the progress of the Scenic Byways Working Group and the status of the application to the Federal Highways Administration for the funding and to designate selected areas of the State as scenic byways.

Congress established the National Scenic Byways Program in 1991 under the Intermodal Transportation Efficiency Act and the Transportation Equity Act for the 21st Century. The National Scenic Byways Program is a voluntary program designed to help states protect and promote their scenic roads by which states apply for funding from the Federal Highway Administration of the United States Department of Transportation and submit nominations of certain roads for designation as scenic byways by the Federal Highway Administration.

There is great interest from the community to designate as a scenic byway the Pi'ilani Trail, the eighteen-mile Heritage Corridor from Honokowai to Kahakuloa featuring the six sacred bays of Pi'ilani, to preserve the area and to provide access for the public.

Your Committees have amended this measure by:

- (1) Deleting reference to the working group;
- (2) Requesting the Department of Transportation to conduct statewide community scenic byways educational workshops for proposed federal designations of scenic byways including the Pi'ilani Trail on Maui; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 71, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 71, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, English, Fukunaga, Nishihara, Hemmings).

**SCRep. 1397 (Joint) Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture and Hawaiian Affairs on S.R. No. 42**

The purpose of this measure is to request the Office of the Governor to convene a Scenic Byways Working Group to select possible sites statewide, including the Pi'ilani Trail on Maui, for proposed federal designation as scenic byways and to develop the federally required corridor management plan, as defined in the National Scenic Byways Program Interim Policy.

Your Committees received testimony in support of this measure from the Department of Transportation; one Maui County Council Member; and two individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

This measure also requests the Office of the Governor to:

- (1) Include in the Scenic Byways Working Group representatives from the Departments of Transportation, Land and Natural Resources, and Business, Economic Development, and Tourism, relevant county agencies, and representatives from community groups residing in areas where proposed scenic byways are located;
- (2) Consult with and invite representatives from the Federal Highway Administration and any other relevant federal agency to participate in the deliberations of the Scenic Byways Working Group; and
- (3) Act upon the findings and recommendations of the Scenic Byways Working Group by submitting (A) nominations of roads selected by the Working Group for designation as scenic byways, and (B) applications for federal funding to support the promotion, maintenance, and repair of these roads, to the Federal Highway Administration of the United States Department of Transportation.

The Governor is also requested to submit a report to the 2010 Legislature on the progress of the Scenic Byways Working Group and the status of the application to the Federal Highways Administration for the funding and to designate selected areas of the State as scenic byways.

Congress established the National Scenic Byways Program in 1991 under the Intermodal Transportation Efficiency Act and the Transportation Equity Act for the 21st Century. The National Scenic Byways Program is a voluntary program designed to help states protect and promote their scenic roads by which states apply for funding from the Federal Highway Administration of the United States Department of Transportation and submit nominations of certain roads for designation as scenic byways by the Federal Highway Administration.

There is great interest from the community to designate as a scenic byway the Pi'ilani Trail, the eighteen-mile Heritage Corridor from Honokowai to Kahakuloa featuring the six sacred bays of Pi'ilani, to preserve the area and to provide access for the public.

Your Committees have amended this measure by:

- (1) Deleting reference to the working group;
- (2) Requesting the Department of Transportation to conduct statewide community scenic byways educational workshops for proposed federal designations of scenic byways including the Pi'ilani Trail on Maui; and
- (3) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 42, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 42, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 7. Noes, none. Excused, 5 (Bunda, English, Fukunaga, Nishihara, Hemmings).

**SCRep. 1398 (Majority) Education and Housing on S.C.R. No. 177**

The purpose of this measure is to request the Superintendent of Education to:

- (1) Appoint a task force, chaired by the Superintendent of the Kauai Complex Area, to report on the feasibility of implementing a pilot program that uses private sector resources for a financial and economic education and literacy program for public school students on Kauai at no cost to the Department of Education; and
- (2) Submit a report on the task force's findings and recommendations to the 2010 Legislature.

Testimony in support of this measure was submitted by three private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that financial education and literacy among school age children is of great importance. Their importance is especially great during the current period of economic instability. Your Committee commends the financial institutions involved with this effort to develop a pilot program for possible replication statewide.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 177 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 2 (Tsutsui, Hemmings). Excused, none.

**SCRep. 1399 Education and Housing on S.C.R. No. 174**

The purpose of this measure, as received, is to support building modular and factory manufactured homes in Hawaii, not including trailer homes.

Prior to the hearing, your Committee circulated S.C.R. No. 174, Proposed S.D. 1.

As amended, this proposed measure requests that federal programs Fannie Mae and Freddie Mac allow special reconsideration for a pricing and policies exception to the Hawaii real estate market and for first-time homebuyers with regard to loans delivered on Hawaii condominiums.

Testimony in support of the proposed measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that when financing condominiums, lenders who sell mortgages to Fannie Mae and Freddie Mac must conform to high price adjustment schedules, higher insurance requirements, and exclusionary private mortgage insurance policies such as the requirement of unattainable owner-occupancy percentages of seventy per cent, which have been developed based on national data and circumstances. Your Committee understands that in Hawaii, this results in more restrictive underwriting standards and higher borrowing costs, which low and moderate income borrowers cannot qualify for, nor afford, due to the higher cost of housing.

Your Committee supports efforts to encourage Fannie Mae and Freddie Mac to reconsider their policies with regard to Hawaii condominiums.

Your Committee has made a number of clarifying amendments in the Whereas clauses to provide additional information regarding the issues facing Hawaii-based lenders.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 174, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 174, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1400 Education and Housing on S.C.R. No. 186**

The purpose of this measure is to request the Department of Education to:

- (1) Facilitate discussion within the community on the funding inadequacies of the Weighted Student Formula, particularly for smaller rural schools, and to explore alternative models or formulas to the Weighted Student Formula in the interest of maximizing funding equity to public schools; and
- (2) Submit its findings and recommendations to address the concerns regarding the Weighted Student Formula to the 2010 Legislature.

Testimony in support of this measure was submitted by one private organization and nine individuals. One state agency submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the Weighted Student Formula has raised concerns since its implementation, and that it has not been fully implemented due, in part, to its adverse impact on small and rural schools.

Your Committee agrees that further information on the impact is critical to achieving the intent of the Weighted Student Formula, which was established by Act 51, Session Laws of Hawaii 2004, to more accurately assess the relative cost of educating students and achieve greater transparency in the budget process.

Your Committee has amended this measure by:

- (1) Changing “smaller rural schools” to “smaller and rural schools” in both the title and the body of the measure;
- (2) Replacing the request of the Department of Education to hold community meetings with a request to conduct an analysis of the implementation of the Weighted Student Formula, including the impact on small and rural schools on student achievement, safety and well-being, and civic responsibility; and
- (3) Clarifying that the information to be gathered on the Weighted Student Formula include funding models used by other education agencies to address resourcing small and rural schools, and the most effective means by which schools within a school complex, complex area, or district might share resources to achieve greater fiscal and instructional efficiencies.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 186, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 186, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1401 (Joint) Health and Economic Development and Technology on S.C.R. No. 167**

The purpose of this measure is to encourage a public-private partnership to support the health care community’s efforts to obtain federal funding for health information technology grants.

Your Committees received testimony in support of this measure from the Hawaii Health Information Exchange, Hawaii Health Systems Corporation, Kaiser Permanente, Hawaii Medical Association, and the Hawaii Primary Care Association.

Written testimony presented to your Committees may be reviewed on the Legislature’s website.

Your Committees find that obtaining federal funding for health care technology that includes the health information exchange is vital to the improvement of Hawaii’s medical technology infrastructure. Hawaii’s unique geographical location necessitates that cutting edge ideas and technologies are fostered to help overcome issues regarding access to medical care, especially for disadvantaged and disabled populations and those residing in rural areas.

Your Committees have amended this measure by requesting the Senate and the House of Representatives to convene a task force to develop and implement a partnership plan that includes the Legislature, interested stakeholders, and the appropriate state agency responsible for designating an entity to be considered a “state designated entity” in order to qualify to receive funding under the federal American Recovery and Reinvestment Act of 2009.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 167, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 167, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 2 (Hee, Hemmings).

**SCRep. 1402 (Joint) Health and Human Services on S.C.R. No. 120**

The purpose of this measure is to request the Hawaii Health Systems Corporation East and West regional boards to establish the Big Island Long-Term Care Coalition to develop a plan for long-term care solutions on the Big Island of Hawaii.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association.

Written testimony presented to your Committees may be reviewed on the Legislature’s website.

Your Committees find that the lack of long-term care facilities, particularly on the island of Hawaii, is one of the most critical health care issues facing the senior and adult disabled population. The Hawaii Health Systems Corporation is most affected by the availability of and support for long-term care. Therefore, leadership from the Corporation’s Big Island regional boards is appropriate for the important task of pulling a coalition together to develop solutions.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 120 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Espero, Hemmings).

**SCRep. 1403 Health on S.C.R. No. 145**

The purpose of this measure is to request the Department of Health to review and assess the policies and procedures implemented by hospitals to reduce elective cesarean sections and induction of labor.

Your Committee received testimony in support of this measure from the March of Dimes. Testimony in opposition to this measure was submitted by the Department of Health. Comments on this measure were submitted by Healthy Mothers, Healthy Babies.

Written testimony presented to the Committee may be reviewed on the Legislature’s website.

Your Committee finds that there has been a sharp increase in the number of induction and elective surgical births in the past ten years that have increased the rate of pre-term births.



Your Committee further finds that the Healthcare Association of Hawaii is a non-profit organization that represents Hawaii's health care providers and would serve as a valuable asset to the review and assessment process conducted by the Department of Health.

Your Committee has amended this measure by requesting the Department of Health to conduct the review and assessment in consultation with the Healthcare Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 145, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 145, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1404 Health on S.C.R. No. 172**

The purpose of this measure is to urge Congress to approve the United States National Health Care Act.

Your Committee received testimony in support of this measure from two individuals.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that single-payer health insurance that provides coverage to everyone is important to the long-term health and well being of Hawaii residents. H.R. 676, the United States National Health Care Act, would be an effective solution to the health insurance crisis by providing a universal, comprehensive, single payer system of high quality national health insurance for everyone, provided that improvements are made that focus less on placing the burden on employees and more on mandating businesses to provide insurance for all of their employees.

Your Committee has amended this measure by inserting language that highlights the success of the Hawaii Prepaid Health Care Act and the rising rate of uninsured persons in recent years, despite that success.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 172, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1405 Higher Education on S.C.R. No. 79**

The purpose of this measure is request the University of Hawaii Board of Regents to:

- (1) Develop policies and procedures to auction the naming rights for buildings and facilities on the University of Hawaii – West Oahu campus; and
- (2) Submit a report of its findings and recommendations to the 2010 Legislature.

The University of Hawaii Professional Assembly and one individual submitted testimony in opposition to the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that while the proposal in this measure would benefit from consideration, it may be somewhat premature to develop policies and procedures to auction naming rights for campus buildings and facilities. Your Committee believes it would be more appropriate to consider the auction of naming rights as part of a larger fundraising strategy, which would explore a range of options to support the University of Hawaii – West Oahu campus.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: URGING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO CONSIDER A STRATEGIC DEVELOPMENT PLAN TO EXPLORE FUNDRAISING OPPORTUNITIES FOR THE UNIVERSITY OF HAWAII – WEST OAHU CAMPUS;
- (2) Deleting and replacing the first two BE IT RESOLVED clauses with a strategic development plan to include near- and long-term capital resources necessary for development and maintenance of planned West Oahu campus buildings and facilities; identified sources of public and private funding; and alternative sources of funds, such as through the auction of naming rights, the development of affordable workforce housing in concert with development of the West Oahu campus, and other fundraising options as deemed appropriate; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 79, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 79, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1406 Higher Education on S.R. No. 47**

The purpose of this measure is request the University of Hawaii Board of Regents to:

- (1) Develop policies and procedures to auction the naming rights for buildings and facilities on the University of Hawaii – West Oahu campus; and
- (2) Submit a report of its findings and recommendations to the 2010 Legislature.

The University of Hawaii Professional Assembly and one individual submitted testimony in opposition to the measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that while the proposal in this measure would benefit from consideration, it may be somewhat premature to develop policies and procedures to auction naming rights for campus buildings and facilities. Your Committee believes it would be more appropriate to consider the auction of naming rights as part of a larger fundraising strategy, which would explore a range of options to support the University of Hawaii – West Oahu campus.

Your Committee has amended this measure accordingly, by:

- (1) Amending the title to read: URGING THE UNIVERSITY OF HAWAII BOARD OF REGENTS TO CONSIDER A STRATEGIC DEVELOPMENT PLAN TO EXPLORE FUNDRAISING OPPORTUNITIES FOR THE UNIVERSITY OF HAWAII – WEST OAHU CAMPUS;
- (2) Deleting and replacing the first two BE IT RESOLVED clauses with a strategic development plan to include near- and long-term capital resources necessary for development and maintenance of planned West Oahu campus buildings and facilities; identified sources of public and private funding; and alternative sources of funds, such as through the auction of naming rights, the development of affordable workforce housing in concert with development of the West Oahu campus, and other fundraising options as deemed appropriate; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 47, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 47, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1407 (Joint) Ways and Means and Transportation, International and Intergovernmental Affairs on S.C.R. No. 98**

The purpose of this measure is to request the Auditor to conduct a management audit of the Department of Transportation.

The management audit would determine whether:

- (1) Legislative appropriations are efficiently administered by the Department for its intended purposes;
- (2) State contracts are properly awarded by the Department and include adequate safeguards; and
- (3) Fees and other charges assessed by the Department are collected and accounted for accurately.

Your Committees find that serious concerns have arisen regarding the Department of Transportation's management of state funds. Your Committees also find that financial audits of the Airports Division and Harbors Division of the Department of Transportation have revealed significant deficiencies in procurement processes and compliance with laws and regulations regarding accounting practices and internal controls. Following the Department of Transportation's failure to adequately prepare for and address the concerns raised in this measure at a public hearing on April 8, 2009, the Chair of your Committee on Ways and Means sent a letter to the Director of Transportation requesting that the Department provide detailed information to address these issues. Until these concerns are adequately addressed, your Committees believe that a management audit of the Department of Transportation is appropriate and necessary.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 98 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 13. Noes, none. Excused, 3 (Espero, Gabbard, Hemmings).

**SCRep. 1408 Transportation, International and Intergovernmental Affairs on H.C.R. No. 162**

The purpose of this measure is to encourage Hawai'i residents to ride bicycles for transportation as well as recreation, and to urge the Department of Transportation to embrace "Complete Street" policies that acknowledge the contributions of bicycles as a means to reduce vehicle miles by integrating bicycle use into standard street design.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii Association of Independent Schools, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Bicycling can provide multiple and cross-cutting benefits in policy initiatives that seek to address transportation needs, limit climate change and energy consumption, and improve public health. Bicycle commuters help reduce traffic by leaving automobiles at home, thus also saving on fuel costs, vehicle maintenance, and parking expenses. Your Committee notes that bicycling is an integral part of the Complete Street policy as endorsed by the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 162, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1409 (Joint) Human Services and Health on S.C.R. No. 169**

The purpose of this measure is to request the Long Term Care Commission to conduct a study of increasing Medicaid reimbursements to hospitals for patients who are waitlisted for long-term care and to long-term care facilities to accept waitlisted patients.

Testimony in support of this measure was submitted by the Long Term Care Commission, the Healthcare Association of Hawaii, and the Hawaii Disability Rights Center. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that on any given day there is an average of 200 patients in hospitals who have been treated, and are well enough to be transferred to long-term care, but are waitlisted because long-term care is not available. Patients may be waitlisted for several days, or even a year, and this creates a serious financial drain on hospitals. The average number of long-term beds available in the nation is 47 per 1000 people over the age of 65, however, Hawaii averages only 23 per 1000 people. The shortage of long-term care beds in Hawaii is due to the high costs of construction and operation mismatched with low payments for services. A study on increasing Medicaid reimbursements will provide insight into the steps that need to be taken to alleviate this problem.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purpose of consistency and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees 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 the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1410 (Joint) Human Services and Health on S.R. No. 116**

The purpose of this measure is to request the Long Term Care Commission to conduct a study of increasing Medicaid reimbursements to hospitals for patients who are waitlisted for long-term care and to long-term care facilities to accept waitlisted patients.

Testimony in support of this measure was submitted by the Long Term Care Commission, the Healthcare Association of Hawaii, and the Hawaii Disability Rights Center. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that on any given day there is an average of 200 patients in hospitals who have been treated, and are well enough to be transferred to long-term care, but are waitlisted because long-term care is not available. Patients may be waitlisted for several days, or even a year, and this creates a serious financial drain on hospitals. The average number of long-term beds available in the nation is 47 per 1000 people over the age of 65, however, Hawaii averages only 23 per 1000 people. The shortage of long-term care beds in Hawaii is due to the high costs of construction and operation mismatched with low payments for services. A study on increasing Medicaid reimbursements will provide insight into the steps that need to be taken to alleviate this problem.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purpose of consistency and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 116, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 116, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1411 (Joint) Human Services and Health on S.C.R. No. 141**

The purpose of this measure is to request the Department of Human Services to convene a statewide task force to advise the Legislature on methods to improve Hawaii's mental health services.

Testimony in support of this measure was submitted by the National Alliance on Mental Illness - Hawaii, Hawaii Disability Rights Center, Hawaii Primary Care Association, Mental Health America of Hawaii, Kahi Mohala Behavioral Health, and two individuals. Testimony in opposition was submitted by the Department of Human Services. Written testimony presented to your Committees may be reviewed on the Legislature's website.

The National Alliance on Mental Illness issued "A Report on America's Health Care System for Adults with Serious Mental Illness" which uses measurable criteria and comprehensively examines each state's responses to mental illnesses. Your Committees find that convening a task force to analyze the effectiveness and efficiency of other state's programs, as reported, will ensure that strategies implemented in Hawaii have the benefit of other state's experiences. Additionally, in light of the current economic crisis, careful attention must be given to Hawaii's mental health delivery system to ensure its continued effectiveness.

Your Committees have amended this measure by:

- (1) Addressing the concerns of the Department of Human Services and changing in the title and text of the measure the convening agency to the Department of Health, which administers mental health services for Hawaii; and

- (2) Making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 141, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 141, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1412 (Joint) Human Services and Health on S.R. No. 93**

The purpose of this measure is to request the Department of Human Services to convene a statewide task force to advise the Legislature on methods to improve Hawaii's mental health services.

Testimony in support of this measure was submitted by the National Alliance on Mental Illness - Hawaii, Hawaii Disability Rights Center, Hawaii Primary Care Association, Mental Health America of Hawaii, Kahi Mohala Behavioral Health, and two individuals. Testimony in opposition was submitted by the Department of Human Services. Written testimony presented to your Committees may be reviewed on the Legislature's website.

The National Alliance on Mental Illness issued "A Report on America's Health Care System for Adults with Serious Mental Illness" which uses measurable criteria and comprehensively examines each state's responses to mental illnesses. Your Committees find that convening a task force to analyze the effectiveness and efficiency of other state's programs, as reported, will ensure that strategies implemented in Hawaii have the benefit of other state's experiences. Additionally, in light of the current economic crisis, careful attention must be given to Hawaii's mental health delivery system to ensure its continued effectiveness.

Your Committees have amended this measure by:

- (1) Addressing the concerns of the Department of Human Services and changing in the title and text of the measure the convening agency to the Department of Health, which administers mental health services for Hawaii; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No 93, as amended herein, and recommend its adoption in the form attached hereto as S.R. No 93, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 7. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1413 (Joint) Human Services and Public Safety and Military Affairs on S.C.R. No. 143**

The purpose of this measure is to affirm support for the concept of establishing a Big Island Juvenile Intake and Assessment Center.

Testimony in support of this measure was submitted by the Department of Human Services Office of Youth Services, the Mayor of the County of Hawaii, the Prosecuting Attorney and the First Deputy Prosecuting Attorney for the County of Hawaii, and one individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that law enforcement officers on the island of Hawaii are in need of a facility to house and hold juvenile offenders in a safe and secure manner that consequently allows the law enforcement officers to proceed with their patrol duties. In 2006 over 2,350 juveniles were arrested, and a survey of law enforcement officers found that officers have no good options when dealing with arrested juveniles who cannot be returned to their homes because of drug, alcohol, or mental health problems, or family issues. Existing programs are fragmented and may not accept disruptive juveniles or those who are under the influence of alcohol or drugs. The Big Island Juvenile Intake and Assessment Center would help law enforcement officers by providing a safe holding place for these juveniles. Various stakeholders and supporters of a Big Island Juvenile Intake and Assessment Center have already completed a thorough business plan that identifies the necessary startup and annual operating costs for the Center and are ready to move forward with a pilot program at a facility in Pahoia that can be implemented at less than a third of the cost of the comprehensive Big Island Juvenile Intake and Assessment Center initiative. Your Committees affirm their support of the initiative and actions taken by the stakeholders, and pledge future support of continued efforts to establish and develop a Big Island Juvenile Intake and Assessment Center.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 143, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 143, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1414 (Joint) Human Services and Public Safety and Military Affairs on S.R. No. 95**

The purpose of this measure is to affirm support for the concept of establishing a Big Island Juvenile Intake and Assessment Center.

Testimony in support of this measure was submitted by the Department of Human Services Office of Youth Services, the Mayor of the County of Hawaii, the Prosecuting Attorney and the First Deputy Prosecuting Attorney for the County of Hawaii, and one individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that law enforcement officers on the island of Hawaii are in need of a facility to house and hold juvenile offenders in a safe and secure manner that consequently allows the law enforcement officers to proceed with their patrol duties. In 2006 over 2,350 juveniles were arrested, and a survey of law enforcement officers found that officers have no good options when dealing with arrested juveniles who cannot be returned to their homes because of drug, alcohol, or mental health problems, or family issues. Existing programs are fragmented and may not accept disruptive juveniles or those who are under the influence of alcohol or drugs. The Big Island Juvenile Intake and Assessment Center would help law enforcement officers by providing a safe holding place for these juveniles. Various stakeholders and supporters of a Big Island Juvenile Intake and Assessment Center have already completed a thorough business plan that identifies the necessary startup and annual operating costs for the Center and are ready to move forward with a pilot program at a facility in Pahoia that can be implemented at less than a third of the cost of the comprehensive Big Island Juvenile Intake and Assessment Center initiative. Your Committees affirm their support of the initiative and actions taken by the stakeholders, and pledge future support of continued efforts to establish and develop a Big Island Juvenile Intake and Assessment Center.

Your Committees have amended this measure by making technical, nonsubstantive changes for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 95, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 95, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1415      Judiciary and Government Operations on S.C.R. No. 76**

The purpose of this measure is to recommend that the Kapolei Court Complex be renamed the Ronald T.Y. Moon Judicial Complex in recognition of Chief Justice Moon's outstanding contributions to the State of Hawaii.

Your Committee received testimony in support of this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Honorable Ronald T.Y. Moon has devoted more than four decades to serving Hawaii's judiciary, as Circuit Court Judge, and as a distinguished Chief Justice of the Hawaii Supreme Court. Under Chief Justice Moon's leadership, Hawaii's judicial system has responded to the challenges of a rapidly growing state through innovative programs such as the Judicial Performance Project, the Committee on Jury Innovations for the Twenty-first Century, the Appellate Mediation Program, and the Access to Justice Committee.

Chief Justice Moon has been a strong advocate for the American principle of "Justice for All" by working to ensure equal access to the courts through his service as Chair of the Conference of Chief Justices' Access to and Fairness in the Courts Committee and Chair of the Americans with Disabilities Act Resource Center Advisory Committee, and vocal support of lawyers' pro bono service. Chief Justice Moon has been honored by the National Center for State Courts with that organization's Distinguished Service Award for longstanding contributions to the improvement of the justice system and support of the National Center's mission of leadership, service, and education.

Chief Justice Moon's unwavering support and tireless advocacy was instrumental in increasing access to the judicial system, especially for traditionally underserved communities on the Leeward Coast, by building the Kapolei Court Complex in West Oahu. The Kapolei Court Complex will increase access to the judicial system by relieving overcrowding, increasing public safety within the courthouse, providing a more convenient forum for the residents of West Oahu, and providing a location for services to the community.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 1416      Judiciary and Government Operations on S.C.R. No. 131**

The purpose of this measure is to request the following agencies to prepare and conduct a joint study to assess the impact of illegal immigration on Hawaii's economy and public resources: Department of Labor and Industrial Relations, including the Hawaii Occupational Safety and Health Division and the Disability Compensation Division; Department of Taxation; Insurance Division of the Department of Commerce and Consumer Affairs; Department of Health; Department of Education; Corrections Division of the Department of Public Safety; Hawaii Public Housing Authority; Department of Human Services; and Department of Agriculture.

Your Committee finds that the State's current economic situation calls for more prudent state spending and improved enforcement of existing laws. Your Committee recognizes this measure as a step toward ensuring immediate investigation and enforcement actions to prevent the hiring of undocumented workers, recovering funds owed to the State by companies that are found to hire undocumented workers, and preventing companies found to employ undocumented workers from doing business in the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 131, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1417      Judiciary and Government Operations on S.R. No. 86**

The purpose of this measure is to request the following agencies to prepare and conduct a joint study to assess the impact of illegal immigration on Hawaii's economy and public resources: Department of Labor and Industrial Relations, including the Hawaii

Occupational Safety and Health Division and the Disability Compensation Division; Department of Taxation; Insurance Division of the Department of Commerce and Consumer Affairs; Department of Health; Department of Education; Corrections Division of the Department of Public Safety; Hawaii Public Housing Authority; Department of Human Services; and Department of Agriculture.

Your Committee finds that the State's current economic situation calls for more prudent state spending and improved enforcement of existing laws. Your Committee recognizes this measure as a step toward ensuring immediate investigation and enforcement actions to prevent the hiring of undocumented workers, recovering funds owed to the State by companies that are found to hire undocumented workers, and preventing companies found to employ undocumented workers from doing business in the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1418 Higher Education on S.C.R. No. 51**

The purpose of this measure is to urge the University of Hawaii System to identify its most important foundational courses to ensure that foundational courses are not adversely impacted by the current budget reductions during a period of increased enrollment.

Prior to the hearing, your Committee circulated a Proposed S.D. 1, which urged the Candidate Advisory Council for the Board of Regents to:

- (1) Convene a working group of students to develop and implement a modified process for the selection of the candidates for the student member of the University of Hawaii Board of Regents;
- (2) Establish a process to ensure student involvement in the recruitment and evaluation of candidates for the student member of the Board of Regents prior to submission of the candidate pool to the Governor;
- (3) Include in the working group representatives from each campus, the University of Hawaii Student Caucus, the Associated Students of the University of Hawaii, and other student organizations as may be appropriate; and
- (4) Report its findings and recommendations to the 2010 Legislature.

Testimony in support of this proposed measure was submitted by the University of Hawaii Student Caucus; Associated Students of the University of Hawaii, Honolulu Community College; Associated Students of Kapiolani Community College Student Congress; and three individuals. The University of Hawaii Regents Candidate Advisory Council and two individuals submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has amended this proposed measure by:

- (1) Amending the title to read: URGING THE REGENTS CANDIDATE ADVISORY COUNCIL FOR THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII TO CONVENE A WORKING GROUP OF STUDENTS AND OTHER APPROPRIATE PARTIES TO DEVELOP AND IMPLEMENT A MODIFIED PROCESS FOR THE SELECTION OF THE CANDIDATES FOR THE STUDENT MEMBER OF THE UNIVERSITY OF HAWAII BOARD OF REGENTS;
- (2) Deleting two WHEREAS clauses related to the length of the student member's term and diversity of the constituency;
- (3) Amending the participants in the working group to include the University of Hawaii Student Caucus, the Associate Vice President of Student Affairs for the University of Hawaii System, student life staff advisors from the various campuses, and other appropriate parties; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

**SCRep. 1419 Human Services on S.C.R. No. 90**

The purpose of this measure is to urge the United States Congress to oppose the proposed rule amendments published on April 10, 2008 in the Federal Register (73 Fed. Reg. 19708) that implement the Developmental Disabilities Assistance and Bill of Rights Act of 2000, and to support new sections in the upcoming reauthorization.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition was submitted by the State Council on Developmental Disabilities and the Hawaii Disability Rights Center. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the proposed rule amendments aim to expand the powers of protection and advocacy agencies, which could have a negative impact on the environment in which people with disabilities and their families receive services and exercise their rights. Although the proposed rules are currently on hold due to technicalities and the administration change at the federal level, there is a concern that these rules may be revived as the Developmental Disabilities Assistance and Bill of Rights Act of 2000 is considered for reauthorization by the United States Congress in 2009.

Your Committee has amended this measure by:

- (1) Specifying the amendments to the Code of Federal Regulations opposed by this measure, including pinpoint citations; and

- (2) Making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 90, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1420 Human Services on S.R. No. 67**

The purpose of this measure is to urge the United States Congress to oppose the proposed rule amendments published on April 10, 2008 in the Federal Register (73 Fed. Reg. 19708) that implement the Developmental Disabilities Assistance and Bill of Rights Act of 2000, and to support new sections in the upcoming reauthorization.

Testimony in support of this measure was submitted by two individuals. Testimony in opposition was submitted by the State Council on Developmental Disabilities and the Hawaii Disability Rights Center. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the proposed rule amendments aim to expand the powers of protection and advocacy agencies, which could have a negative impact on the environment in which people with disabilities and their families receive services and exercise their rights. Although the proposed rules are currently on hold due to technicalities and the administration change at the federal level, there is a concern that these rules may be revived as the Developmental Disabilities Assistance and Bill of Rights Act of 2000 is considered for reauthorization by the United States Congress in 2009.

Your Committee has amended this measure by:

- (1) Specifying the amendments to the Code of Federal Regulations opposed by this measure, including pinpoint citations; and
- (2) Making technical, nonsubstantive changes for clarity.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 67, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1421 (Joint) Energy and Environment and Commerce and Consumer Protection on S.C.R. No. 23**

The purpose of this measure as received is to request the Department of Health to implement a statewide rainwater detention and retention pond safety program.

Prior to the hearing, your Committees circulated a proposed amended draft of S.C.R. No. 23, S.D. 1, which does the following:

- (1) Expresses support for promoting and accelerating the increased use and development of renewable power generation through feed-in tariffs;
- (2) Requests the Public Utilities Commission to adopt and implement true feed-in tariffs for clean energy systems up to twenty megawatts in size; and
- (3) Expresses support for the continuation of net energy metering in tandem with feed-in tariffs.

Testimony in support of this measure was submitted by three private organizations. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that feed-in tariffs will encourage the development of renewable energy by providing predictability and certainty with respect to the future rates to be paid for renewable energy. By ensuring predictability in renewable energy reimbursement rates, the prospects of attracting renewable energy producers as well as retaining those presently in production will be significantly enhanced.

Your Committees have amended this measure as received by replacing its title and contents with the contents of the proposed draft of S.C.R. No. 23, S.D. 1, which was circulated prior to this hearing.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 23, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 23, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 1422 Energy and Environment on Gov. Msg. No. 576**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY**

G.M. No. 576 MAKANI MAEVA, for a term to expire 6-30-2012.

Your Committee has reviewed the personal history and statement submitted by the nominee, and finds Makani Maeva to have the necessary qualifications to be nominated to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority (NELHA).

Testimony in support of the nomination of Ms. Maeva was submitted by the Senior Policy Advisor to the Governor, the Department of Land and Natural Resources, the Department of Business, Economic Development, and Tourism, and six individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Maeva received her Bachelor of Arts Degree in Humanities, with a minor in Business, from Pepperdine University in California. She is currently a Director with Pacific Housing Advisors, a company that provides independent financial consulting to developers of affordable housing projects throughout the United States, including Hawaii. Ms. Maeva runs the Honolulu office of Pacific Housing Advisors, and is also responsible for project development at Allied Pacific Development, Inc., which is active in a wide range of real estate development activities, including the development and management of projects in all real estate sectors. Ms. Maeva specializes in the acquisition, construction, and renovation of affordable housing projects using federal and state low income housing credits. In her development endeavors, she has been a strong advocate for using renewable energy systems to address energy issues with her projects. Significantly, her most recent project is located on the Kona Coast. Prior to her current position, Ms. Maeva was a Project Manager with Coastal Rim Properties.

Ms. Maeva is also actively involved in the community. She is a member of Housing Hawaii, which is a broad coalition of public, private, and nonprofit organizations dedicated to creating, preserving and supporting affordable housing through education and development. She has also been involved in the community through Windward Boys and Girls Club, the Kailua Hawaiian Civic Club, Kawaihao Church, and the Outrigger Canoe Club.

Ms. Maeva's impressive background in finance and business development, together with her knowledge of and experience with renewable energy technologies, will be a great asset to the NELHA Board of Directors.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 1423 Education and Housing on Gov. Msg. No. 417**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAI'I HOUSING FINANCE AND DEVELOPMENT CORPORATION (HFD)

G.M. No. 417 BETTY LOU LARSON, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Betty Lou Larson to have the necessary qualifications to be appointed to the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Testimony in support of the nominee was submitted by three state agencies, one county agency, four private organizations, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Betty Lou Larson currently serves as Housing Assistance Program Director at Catholic Charities Hawaii, where she is responsible for elderly services and supervises two transitional housing projects. She has over twenty-seven years of experience in housing and homeless programs in Hawaii and is a strong advocate for those in need of affordable housing. Ms. Larson is a graduate of the University of Hawaii at Manoa, and holds two Masters Degrees, including a Masters of Social Work from the University. She is active in a number of community organizations, including Partners in Care, the Hawaii Pacific Gerontological Society, the Affordable Housing and Homeless Alliance, and Neighborhood Board No. 8 (McCully-Moillili), where she is currently Chair of the Housing and Homelessness Committee. Ms. Larson previously served on the Boards of the Housing and Community Development Corporation of Hawaii and the Hawaii Housing Finance and Development Corporation.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1424 Judiciary and Government Operations on Gov. Msg. No. 355**

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 355 MARK G. VALENCIA, for a term to expire 6-30-2013.

Your Committee received testimony in support of Mark G. Valencia from the Senior Policy Advisor to the Governor and Hawai'i Civil Rights Commission. Testimony in opposition and comments were received from organizations and individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mark G. Valencia is an attorney with Case Lombardi Pettit. Previously he worked as a Policy Analyst with the Office of the Governor, and with the law firm of Damon Key Leong Kupchak Hastert. He specializes in advising large and small businesses in employment law matters involving hiring, termination, and discrimination issues. Mr. Valencia served as Law Clerk to the Honorable Walter S. Kirimitsu, Intermediate Court of Appeals, where he researched and drafted appellate opinions on a myriad of legal issues,



including medical malpractice, criminal law, wills and trusts, torts, contracts, real property, and statutory construction. The nominee also has experience as a law clerk for the Federal Public Defender, Northern District of Texas, where he researched and drafted memorandums involving federal constitutional law and criminal law. He received a Doctor of Jurisprudence degree from the Southern Methodist University School of Law, and a Bachelor of Arts degree in History from the University of Hawaii – West Oahu. The nominee has authored one law journal article about church-state development and American religious liberty.

Your Committee notes that in responding to questions regarding whether he will be fair and objective in making decisions in cases to be decided by the Civil Rights Commission, Mr. Valencia stated that he is determined to separate his personal beliefs from his adjudicatory functions, and will be sensitive to the difference.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, none.

**SCRep. 1425 Judiciary and Government Operations on Gov. Msg. No. 346**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 346 LANI L. EWART, for a term to expire 6-30-2013.

Your Committee received testimony in support of the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Lani L. Ewart has been an attorney with the law firm of Goodwill Anderson Quinn & Stifel LLP, since 1977. She received a B.A. degree from the University of Hawaii at Manoa and a J.D. degree from the University of California at Berkeley. Ms. Ewart is licensed to practice law in both Hawaii and California. The nominee currently serves as a member of the Commission to Promote Uniform Legislation, where she serves as Chair and Executive Committee Member.

Your Committee notes the testimony of the nominee that her work on the Commission to Promote Uniform Legislation provides her with the opportunity to serve the people of Hawaii and best use her legal training and expertise. Ms. Ewart would like to continue with the good work of the Commission and address new problems that have arisen, and that will continue to arise in the future.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1426 Judiciary and Government Operations on Gov. Msg. No. 347**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF KAUA'I AND NI'HAU

G.M. No. 347 RANDALL J. FRANCISCO, for a term to expire 6-30-2012.

Your Committee received testimony in support of Randall J. Francisco. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Randall J. Francisco is currently employed by the Kauai Chamber of Commerce. Mr. Francisco was previously employed by the State House of Representatives and the University of Hawaii Kapiolani and Leeward Community Colleges. Mr. Francisco received a Bachelor of Business Administration degree from the University of Hawaii at Hilo and a Masters in Education degree from the University of Hawaii at Manoa. He is currently a member of the Kauai Workforce Investment Board.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1427 Judiciary and Government Operations on Gov. Msg. Nos. 348 and 356**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKAI, LANAI, AND KAHO'OLAWA

G.M. No. 348 JOHN F. HENRY, for a term to expire 6-30-2012; and

G.M. No. 356 GENE ZARRO JR., for a term to expire 6-30-2012.

Your Committee received testimony in support of each of the nominees. Written testimony presented to the Committee may be reviewed on the Legislature's website.

John F. Henry is self-employed as a photographer with John Henry Photography, Inc., which he has owned since 1984. Mr. Henry is certified by the Professional Photographers of America. He also holds a Master of Photography degree and Photographic Craftsman degree from the Professional Photographers of America and is an Approved Photographic/Imaging Instructor. The nominee is a member of several community and professional organizations and has received numerous photography awards.

Gene Zarro Jr. is a Mortgage Consultant with Maui Capital Group. He received a Bachelor's degree in Economics from Rutgers University with a minor in business. The nominee is a member of several community organizations.

Your Committee believes that the nominees have the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the records of votes of the members of your Committee on Judiciary and Government Operations that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1428 Judiciary and Government Operations on Gov. Msg. Nos. 344, 345, 353 and 354**

Recommending that the Senate advise and consent to the nominations of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

G.M. No. 344 LITO M. ASUNCION, for a term to expire 6-30-2012;

G.M. No. 345 MARCELLA ALOHALANI BOIDO, for a term to expire 6-30-2013;

G.M. No. 353 MAUREEN N. RAWLINS, for a term to expire 6-30-2013; and

G.M. No. 354 MARY F. SANTA MARIA MS, MPH, for a term to expire 6-30-2012.

Your Committee received testimony in support of each of the nominees. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Lito M. Asuncion is currently a Program Planner with the Hawaii County Office of Aging. Previously, he was an Immigration Information Specialist with the Hawaii County Office of Management, and a Program Evaluator/Trainer with the Hawaii/American Samoa Bilingual Education Support Center. The nominee received Bachelor and Master of Arts degrees in Sociology, and a Master of Public Health in Gerontology from the University of Hawaii at Manoa. Mr. Asuncion is a member of several cultural community service and professional organizations. He is currently a member of the Language Access Advisory Council.

Mr. Asuncion is an active and well-known leader in the Filipino community on the Big Island. He has extensive experience and expertise in dealing with people of varied languages and cultures.

Marcella Alohalani Boido is currently a court-appointed interpreter for federal and state court, and has also worked for several federal agencies. Ms. Boido has also worked as a legal translator for the Office of the United States Attorney. The nominee received Masters and Bachelors of Arts degrees in political science from the University of Hawaii at Manoa, and was a doctoral student at the University of Hawaii at Manoa from 1985 to 1992. Ms. Boido has passed the Administrative Office of the United States Courts (AOUSC) Spanish/English interpreter certification examination, and the California Spanish/English court interpreter certification examination, as well as completed the Hawaii State Judiciary Court Interpreter Orientation Workshop. She also has experience teaching English as a second language and modern Hawaiian history. Ms. Boido is a member of several cultural community service and professional organizations, and has served on the Hawaii Supreme Court Committee on Certification of Court Interpreters.

Ms. Boido currently serves on the Language Access Advisory Council. She is the incoming president of the Hawaii Interpreter Action Network which has recommended her to represent them on the Council. The nominee has long been recognized among interpreters, both in Hawaii and nationally, for her expertise on interpreter issues.

Maureen N. Rawlins is currently the Director of 'Aha Punana Leo, a Hawaiian Language College Adjunct Assistant Professor and Chairperson of the Native Hawaiian Education Council. The nominee received a Bachelor's degree in Hawaiian Studies and is a candidate for a Masters' degree. She served as the Chairperson of the Native Hawaiian Education Council in 2007. Ms. Rawlins currently serves on the Language Access Advisory Council.

'Aha Punana Leo, of which Ms. Rawlins serves as Director, is a non-profit organization devoted to the preservation and propagation of the Hawaiian language and culture. This is the oldest statewide native organization in the United States that provides education through the Language Nests and Language Survival School model. Ms. Rawlins has been actively involved in the promotion and preservation of the Hawaiian language for over twenty years.

Mary F. Santa Maria MS, MPH, is currently a Public Health Educator IV with the Department of Health. She received a Bachelor's degree from the University of Texas at Austin, a Master's degree from Texas A&I University, and Master's in Public Health degree

from the University of Hawaii at Manoa. The nominee has experience in conducting trainings, workshops, and presentations on health issues, including training Department of Health employees on the use of interpreting services.

Ms. Santa Maria is involved with language access, medical interpreting training, and health services access for Limited English Proficiency persons at various community and state agencies.

Your Committee believes that the nominees have the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the records of votes of the members of your Committee on Judiciary and Government Operations that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1429      Judiciary and Government Operations on Gov. Msg. No. 351**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLAND OF HAWAII

G.M. No. 351    DELENE K. OSORIO, for a term to expire 6-30-2012.

Your Committee received testimony in support of Delene K. Osorio. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Delene K. Osorio is currently the Executive Director of the Big Island Housing Foundation. Previously, she served as Executive Officer of the Hawaii Island Board of Realtors, Hilo. She has been employed as a real estate broker by various companies. The nominee is a member of several community and professional organizations.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1430      Judiciary and Government Operations on Gov. Msg. No. 352**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 352    CAROL A. PHILIPS, for a term to expire 6-30-2013.

Your Committee received testimony in support of Carol A. Philips. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Carol A. Philips is the owner of North Shore Surf Girls and a surf instructor. She has experience as a substitute teacher for the Department of Education, and as a legislative aide in the Hawaii State Legislature. The nominee was also an Information Specialist in the Governor's Office and Executive Director of Empower North Shore Oahu. She currently serves on the Commission on the Status of Women and has served on the North Shore Neighborhood Board Number 27. Ms. Philips has a Bachelor's degree in Business Administration, Management and Operations from the University of Hawaii.

Your Committee notes from the testimony that Ms. Phillips has earned the trust and respect of fellow members of the Commission on the Status of Women for her sensitivity to the rights of all marginalized groups.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1431      Labor on Gov. Msg. No. 460**

Recommending that the Senate advise and consent to the nomination of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 460    JOAQUIN M. DIAZ, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Joaquin M. Diaz to have the necessary qualifications to be nominated to the Hoisting Machine Operators Advisory Board.

Testimony in support of the nomination of Mr. Diaz was submitted by one state agency and seven individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Diaz earned a Bachelor of Science degree in Occupational Safety and Health from Columbia Southern University. He is currently a Safety Director at Hawaiian Dredging Construction Company. His previous positions include Regional Safety Manager at Dick Pacific Construction Co., Ltd., and Safety Manager at M. Shiroma Construction Company. Mr. Diaz is a Certified Safety Professional, certified by the Board of Certified Safety Professionals, and a professional member of the American Society of Safety Engineers.

Mr. Diaz is an American Red Cross volunteer and served in the United States Marine Corps for nearly three years before being honorably discharged. He is highly experienced as a manager in the occupational safety and health fields. In addition to holding numerous credentials relating to occupational safety, he has also served as an OSHA Training Institute Instructor for the University of California – San Diego and Director of the Executive Committee for the local chapter of the American Industrial Hygiene Association, and has served as a member of several occupational safety-related committees.

Mr. Diaz is extremely well-qualified and possesses extensive experience in and a depth of knowledge of occupational safety and health issues. He is familiar with the issues facing both the Hoisting Machine Operators Advisory Board and the State in terms of occupational safety. Mr. Diaz would contribute valuable insights based on experience, and specific suggestions on ways to address those issues, which would make him an extraordinary asset to the Advisory Board.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1432 Labor on Gov. Msg. No. 361**

Recommending that the Senate advise and consent to the nomination of the following:

LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD

G.M. No. 361 MELANIE S. MATSUI, for a term to expire 6-30-2018.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Melanie S. Matsui to have the necessary qualifications to be nominated to the Labor and Industrial Relations Appeals Board.

Testimony in support of the nomination of Melanie S. Matsui was submitted by one organization and thirty-one individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Matsui earned Juris Doctorate and Bachelor of Science degrees from Willamette University. She is currently an Associate with Matsui Chung, representing employers in workers' compensation cases before the Department of Labor and Industrial Relations' Disability Compensation Division and Labor and Industrial Relations Appeals Board. She is a former Associate of Kessner Duca Umabayashi Bain & Matsunaga and Leroy T. Kuwasaki, Jr., AAL, ALC.

Ms. Matsui is a current member of the Labor and Industrial Relations Appeals Board. She is also active in the Haleiwa Jodo Mission and Haleiwa Jodo Mission Young Buddhist Association, and has previously served as a member of the Board of the Friends of the Cancer Research Center of Hawaii.

Ms. Matsui is highly esteemed as a hard-working and extremely capable attorney whose expertise, intelligence, and energy would continue to be valuable assets to the Labor and Industrial Relations Appeals Board.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1433 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 436 and 437**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 436 JERRY EDLAO, for a term to expire 6-30-2013; and

G.M. No. 437 SAMUEL M. GON III, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Jerry Edlao and Samuel M. Gon III to have the requisite qualifications to be nominated to the Board of Land and Natural Resources.

Testimony in support of the nomination of Jerry Edlao was submitted by one state agency, the Mayor of Maui County, seven organizations, and twenty-five public citizens.

Mr. Edlao owns Accu-Pest and Termite Control Services and has worked in the pest control industry since 1974. He is a member and Director of the Maui Contractors Association, Vice-President and Board member of the Hawaii Pest Control Association, Trustee and Chairman of the Kahului Union Church, and past Vice-President and training coordinator for the Valley Isle Kennel Club of Maui.

Mr. Edlao presently serves on the Board of Land and Natural Resources and satisfies the requirement that one member represent Maui County.

Mr. Edlao has a strong commitment to public service and has demonstrated effectiveness in dealing with the myriad of issues that come before the Board of Land and Natural Resources. He has been instrumental in initiating meetings with the public and acting as a liaison for the Division of Boating and Ocean Recreation. According to the Department of Land and Natural Resources Chairperson, Mr. Edlao's involvement ensured productive meetings to address controversial issues in a constructive manner on numerous occasions. Mr. Edlao stresses the importance of including the public in the process to provide an opportunity to ask questions before draft rules are promulgated. He also recognizes the difficult issues the Board of Land and Natural Resources faces, and focuses on an inclusive approach to consider public concerns in his decision-making.

Testimony in support of the nomination of Samuel M. Gon III was submitted by one state agency, two organizations, and thirty public citizens.

Dr. Gon received his Bachelor's degree in Zoology from the University of Hawaii at Manoa, and his Master's degree in Zoology and a Doctor of Philosophy degree in Animal Behavior from the University of California, Davis. He is presently employed as the Senior Scientist and Cultural Advisor at The Nature Conservancy of Hawaii and is an affiliate faculty member at the University of Hawaii at Manoa's Department of Urban and Regional Planning. Dr. Gon currently serves on the Board of Land and Natural Resources and satisfies the requirement that one member have a background in conservation and natural resources and represent Oahu.

Dr. Gon has over twenty-eight years of experience in research and conservation in Hawaii and has worked with private, state, and federal entities on a variety of conservation and land management projects. He brings a dual perspective to the Board of Land and Natural Resources as a western trained biologist and as a traditionally trained Hawaiian practitioner of oli and protocol. Dr. Gon supports sustainable use of Hawaii's resources, including protecting the native plants and animals, and keeping Hawaii's people on their ancestral lands. He stresses the need for immediate action to protect Hawaii's fragile ecosystem, asserting that rights to resources come with responsibilities.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 1434 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 516 and 517**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 516 SUMNER P. ERDMAN, for a term to expire 6-30-2013; and

G.M. No. 517 NEAL S. FUJIWARA, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Sumner P. Erdman and Neal S. Fujiwara to have the necessary qualifications to be nominated to the Commission on Water Resource Management.

Testimony in support of the nomination of Sumner P. Erdman was submitted by one state agency, four organizations, and eleven individuals.

Mr. Erdman earned a Bachelor of Arts degree from the University of Puget Sound. He also participated in the University of Hawaii's Agricultural Leadership Program and Stanford University's Executive Business Leadership Program. Since 1995, Mr. Erdman has served as the President of Ulupalakua Ranch, Inc., a cattle and elk operation on Maui.

Mr. Erdman has actively served on several boards and commissions. He is the Founding Director of the North American Elk Breeders Association, both Vice President and President of the Maui Cattlemen's Association and the Hawaii Cattlemen's Council, and Director of the Central Maui Soil and Water Conservation District. He has also served as a member of the state Board of Agriculture. Through his involvement with Ulupalakua Ranch and these boards and commissions, he has garnered extensive knowledge and experience with local water issues and finding resourceful means of conserving and managing water. Additionally, Mr. Erdman's commitment to and leadership on the stewardship of resources make him an excellent candidate for the Commission on Water Resource Management.

Testimony in support of the nomination of Neal S. Fujiwara was submitted by one state agency, two organizations, and thirteen individuals.

Mr. Fujiwara earned a Bachelor of Science degree in Agronomy/Plant Science from Utah State University. He worked for the United States Department of Agriculture Natural Resources Conservation Service (NRCS) for thirty-two years, serving as a Maui District Conservationist and managing programs on the islands of Maui, Molokai, Lanai, and Kahoolawe. In his capacity as a District Conservationist, Mr. Fujiwara administered programs to enhance and conserve water supplies, improve water quality, and reduce damage from floods and other natural disasters. Mr. Fujiwara performed his duties in partnership with other federal, state, and local government agencies, and he contributes this experience of building strong teams and community ties to the Commission on Water Resource Management.

Mr. Fujiwara has served as a member of the Commission on Water Resource Management since 2005. As a member of the Commission and through experiences with the NRCS, Mr. Fujiwara has been involved in the designation of Na Wai Eha on Maui, the first surface water management area in the State; the establishment of interim instream flow standards for East Maui; the adoption of the 2008 Water Resource Protection Plan; obtaining funding for the construction of Kahakapao Reservoirs in upcountry Maui; and other water use-related activities. Mr. Fujiwara's experience and technical knowledge make him an excellent nominee for a second term on the Commission.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 1435 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 532**

Recommending that the Senate advise and consent to the nomination of the following:

**MOLOKAI IRRIGATION SYSTEM WATER USERS ADVISORY BOARD**

G.M. No. 532 LYNN P. DECOITE, for a term to expire 6-30-2012.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Lynn P. DeCoite to have the necessary qualifications to be nominated to the Molokai Irrigation System Water Users Advisory Board.

Testimony in support of the nomination of Lynn P. DeCoite was submitted by one state agency, two organizations, and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mrs. DeCoite is the Owner/Manager of L & R Farm Ent. LLC, a sweet potato farm on Molokai. She has worked previously as a Ranch Handler for V-8 Ranch and Supervisor of George Mokuau Farms.

As an active farmer and user of the Molokai Irrigation System, Mrs. DeCoite is familiar with the needs and concerns of both users and the system. She is a volunteer Director of the Hikiola Cooperative and President of the Molokai Homestead Farmers Alliance. Mrs. DeCoite has also served the Molokai community in other capacities, including Chairperson of the Molokai Chamber Youth Entrepreneur Golf Tournament and Chair of the Molokai Christmas Light Parade. Mrs. DeCoite's dedication to the Molokai community, experience as a farmer and user of the Molokai Irrigation System, and involvement with the farming community make her an excellent candidate for the Molokai Irrigation System Water Users Advisory Board.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Fukunaga, Hemmings).

**SCRep. 1436 Health on Gov. Msg. No. 318**

Recommending that the Senate advise and consent to the nomination of the following:

**STATE COUNCIL ON DEVELOPMENTAL DISABILITIES**

G.M. No. 318 BEN S. DALAUIDAO II, for a term to expire 6-30-2012.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to developmental disabilities for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the State Council on Developmental Disabilities to which he has been nominated.

Your Committee received testimony supporting the nomination of Ben S. Dalauidao from the State Council on Developmental Disabilities and two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Dalauidao has been serving on the State Council on Developmental Disabilities since July 2008, and is an active member of the Council's Employment and Education Committee, who has diligently worked to increase employment options and promote individualized school transitions to post-secondary options for individuals with developmental disabilities. A motivated member of the East Hawaii Developmental Disabilities Committee and an aspiring leader who has contributed to the establishment of a statewide self-advocacy network, Mr. Dalauidao has provided valuable insight and support to individuals with developmental disabilities who are striving to become their own advocates and leaders in the community. He is a graduate of the Partners and Policy Making Academy 24 and is an individual with a developmental disability, who helps to fulfill the requirement that sixty per cent of the membership of the Council comprise individuals with developmental disabilities.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1437 Health on Gov. Msg. No. 326**

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 326 ALVA K.O. KANEAIKALA, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to mental for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on her credentials, integrity, and a desire to make Hawaii better through her participation on the State Council on Mental Health to which she has been nominated.

Your Committee received testimony supporting the nomination of Alva K.O. Kaneaikala from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Currently, serving in her first term as a member of the State Council on Mental Health, Alva K.O. Kaneaikala fulfills the requirement for a family representative on the Council. As a retired Registered Nurse previously employed in hospitals in Hawaii and on the mainland, and the mother of two sons with severe and persistent mental illness, Ms. Kaneaikala brings a wealth of knowledge and experience to the Council. She is a valued member who has actively represented the mental health concerns of the West Hawaii locale in which she resides.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1438 Health on Gov. Msg. No. 334**

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUA'I SERVICE AREA BOARD

G.M. No. 334 DAVID MOYLES, for a term to expire 6-30-2010.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to mental health and substance abuse for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Mental Health and Substance Abuse, Kaua'i Service Area Board to which he has been nominated.

Your Committee received testimony supporting the nomination of David Moyles from the Department of Health

Written testimony presented to the Committee may be reviewed on the Legislature's website.

David Moyles is President of the Board of Directors of Friendship House, a Clubhouse Model psychiatric rehabilitation program for people who have experienced severe or enduring mental illness. The members of Friendship House work in partnership with staff in a "work-ordered" day to make the decisions and undertake the work necessary to operate the Clubhouse. In addition, Friendship House offers various employment programs for members to obtain jobs in the community, a supported education program to assist members with their educational goals, and an active social program. Mr. Moyles has also worked on Kauai as the Coordinator for Kauai WalkAmerica and a Mathematics and Reading Tutor at Kapaa Elementary and Middle schools, among other things. He also has expertise in a variety of computer hardware and software, including PC-based Compass Learning Programs. Mr. Moyles fulfills the requirement for a consumer representative on the Kauai Service Area Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1439 Health on Gov. Msg. Nos. 317, 325 and 337**

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 317 LARRY A. CARNES, for a term to expire 6-30-2012;

G.M. No. 325 LORI H. O. KAMIKAWA RT, for a term to expire 6-30-2013; and

G.M. No. 337 STEIN E. RAFTO MD, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to radiologic technology for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Radiologic Technology Board to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted supporting the nomination Larry A. Carnes from the Department of the Army - Tripler Army Medical Center and two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Carnes will be an excellent resource for the Radiologic Technology Board. He has worked in the radiologic technology field since 1990 and is currently employed at Tripler Army Medical Center where he is responsible for the diagnostic quality of routine and special radiographic images, as well as fluoroscopic studies. Mr. Carnes brings a wealth of experience in radiography to the board and his knowledge in the field of radiologic technology will be an asset to the board in the future.

Ms. Kamikawa continues to be a positive influence for the Radiologic Technology Board on which she has served since July 2003. She has been working in the radiologic technology field since 1982 and is currently employed at Castle Medical Center where she performs general radiology, mammography, portable radiography and fluoroscopy. Ms. Kamikawa has made significant contributions in the past, and her extensive experience in radiography and mammography has been advantageous. Her re-appointment will make a positive impact to the board.

Dr. Rafto has provided valuable direction for the Radiologic Technology Board on which he has served since July 2003. He has been a licensed physician since 1983 and is presently working as a staff radiologist for Kaiser Permanente Hawaii. His extensive knowledge of radiology has been very useful to the board on many occasions in the past particularly involving the expectations of radiologists with respect to the technical competency of radiologic technologists, new modalities and its effect on radiologic technology training, and the importance of licensing according to national credentials. Dr. Rafto's re-appointment will be a positive benefit to the board's effectiveness.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1440 Health on Gov. Msg. Nos. 338 and 430**

Recommending that the Senate advise and consent to the nominations of the following:

**DRUG PRODUCT SELECTION BOARD**

G.M. No. 338 ANGEL B. RAMOS, for a term to expire 6-30-2013.; and

G.M. No. 430 VENKATARAMAN BALARAMAN, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to drug product selection for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Drug Product Selection Board to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted supporting the nomination of Dr. Venkataraman Balaraman by Kapi'olani Medical Specialists and two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Ramos has been capably serving the Board as the representative for the Department of Health since April 2006. He is currently an inspector for the Food and Drug Branch, conducting food safety inspections. Previous duties with the Branch included being temporarily assigned to the Prescription Drug Safety Specialist position. In that capacity, Mr. Ramos attended and supported the Board in carrying out their duties.

Dr. Balaraman has represented the University of Hawaii, John A. Burns School of Medicine as member of the Board since April 2005. As an Associate Professor in the Department of Pediatrics and his experience as a practicing physician in pediatric medicine, he brings a unique and valued perspective to the Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1441 Health on Gov. Msg. No. 332**

Recommending that the Senate advise and consent to the nomination of the following:

**EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE**



G.M. No. 332 DAVID F. MOORE MD, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to emergency medical services for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Emergency Medical Services Advisory Committee to which he has been nominated.

Your Committee received testimony supporting the nomination of Dr. David F. Moore from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

David Moore, M.D., is an emergency physician who is currently the medical director for American Medical Response. He previously worked at Wilcox Memorial Hospital on Kauai and was formally the EMS District Medical Director for the State's EMS program for the County of Kauai.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1442 Health on Gov. Msg. No. 269**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS**

G.M. No. 269 JEFFREY T. PEARSON, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to the certification of public water system operators for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Certification of Public Water System Operators to which he has been nominated.

Your Committee received testimony supporting the nomination of Jeffrey T. Pearson from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Pearson has fifteen years of professional engineering experience in both the public and private sectors. His various positions have provided him with experience in the design and operation of both water and wastewater facilities. Prior to his current position, Mr. Pearson served as Deputy Director of the Maui Department of Water Supply where he was responsible for the work of both the water treatment plant operators and the distribution system operators.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1443 Health on Gov. Msg. No. 321**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION**

G.M. No. 321 ANDREW DON MD, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to the Hawaii Health Systems Corporation for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Directors of the Hawaii Health Systems Corporation to which he has been nominated.

Your Committee received testimony supporting the nomination of Dr. Andrew Don from the Hawaii Health Systems Corporation Oahu Region, Hawaii Health Systems Corporation, and two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Dr. Don has a record of achievement in his medical profession and as a community advocate for access to quality health care to neighbor islands and rural communities. He is currently Chair of the HHSC Board of Directors and serves with leadership skills that encourage discussion, understanding and decision-making on complex issues that must be addressed to assure more efficiency in system and regional operations and structure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Ayes with Reservations, 1 (Baker). Noes, none. Excused, 1 (Hemmings).

**SCRep. 1444 Health on Gov. Msg. No. 272**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 272 DANA P. RIDDLE, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to the certification of operating personnel in wastewater treatment plants for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Certification of Operating Personnel in Wastewater Treatment Plants to which he has been nominated.

Your Committee received testimony supporting the nomination of Dana P. Riddle from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Dana P. Riddle is a Grade-4 certified wastewater treatment plant operator with the County of Hawaii and is currently working at the Kealakehe Wastewater Treatment Plant in Kona, Hawaii. He has over thirty years of operation and maintenance experience having worked at both water and wastewater facilities in Hawaii as well as in Georgia. He has been a member of the Board for the past year and represents operators from the Big Island.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1445 Health on Gov. Msg. No. 342**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF HEALTH

G.M. No. 342 DICK E. SMITH REHS, MPH, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to health care for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Health to which he has been nominated.

Your Committee received testimony supporting the nomination of Dick E. Smith from five individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Mr. Smith retired in 1996 as a state of California Registered Environmental Health Specialist, after a 32 year career working for three different local health departments in the State of California. This included traditional environmental health programs such as food, water, sewage, solid waste and land development. The last ten years were managing hazardous materials, hazardous waste, and biohazardous waste enforcement programs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1446 Health on Gov. Msg. No. 341**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

G.M. No. 341 VALERIE L. SIMONSEN ND, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to health planning for the people of Maui county. Your Committee further finds that the nominee has been appointed based on her credentials, integrity, and a desire to make Hawaii better through her participation on the Health Planning Council, Maui County Subarea, to which she has been nominated.

Your Committee received testimony supporting the nomination of Dr. Valerie L. Simonsen from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Simonsen is a licensed naturopathic physician and received her doctorate in naturopathic medicine from the National College of Naturopathic Medicine in Portland, Oregon. For many years she has served the Maui community with complementary medicine and has been an active and contributing member of the Tri-Isle Subarea Health Planning Council for four years.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1447 Health on Gov. Msg. No. 315**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 315 WILLIAM B. BAILEY, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to health planning for the people of Honolulu subarea. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Health Planning Council, Honolulu Subarea, to which he has been nominated.

Your Committee received testimony supporting the nomination of William B. Bailey from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Bailey is the General Manager of American Medical Response Hawaii (AMRH) and oversees its ambulance service operations. He holds a Bachelor's degree in biology and psychology from Occidental College. He is an active volunteer and serves on various organizations relating to his professional and community interests. In addition to his AMRH responsibilities, Mr. Bailer is an active member of the Hawaii emergency medical community and is President of the Keiki Injury Prevention Committee (KIPC). Mr. Bailey served eight years on the Statewide Health Coordinating Council and he is seeking reappointment to the Honolulu Subarea Health Planning Council.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1448 Health on Gov. Msg. Nos. 314, 328 and 343**

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 314 ANDREW P. ANCHETA MPH, for a term to expire 6-30-2013;

G.M. No. 328 CREIGHTON K.K. LIU, for a term to expire 6-30-2013; and

G.M. No. 343 PATRICIA U. WONG, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to health care for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Statewide Health Coordinating Council to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted supporting the nomination of Patricia U. Wong by Goodwill Industries of Hawaii, Inc., Hawaiian Telcom, Hawaii Electric Light Company, Inc., Maui Electric Company, Ltd., Hawaii Central Credit Union, Benefit Plan Solutions, Inc., Shidler College of Business at the University of Hawaii at Manoa, and six individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Ancheta is the Operations Manager for the American Medical Response Ambulance for Oahu and has over twenty years of experience in the Emergency Medical Services industry. He holds a Master of Public Health degree and Bachelor of Arts degree from the University of Hawaii at Manoa. He has been an active member of the Statewide Health Coordinating Council over the past few years.

Mr. Liu is a member of the health care community and is currently employed by HMSA as a Business Relationship Manager. Previously, Mr. Liu served as Director of Strategic Planning at Kaiser Permanente in Hawaii and Planning Manager at Kapiolani Health Care System. He has been a contributing member to the West Oahu Subarea Health Planning Council and currently serves as member of the Statewide Health Coordinating Council. Mr. Liu has a Bachelor's of Arts and Master's of Arts degree in Business Administration.

Ms. Wong serves as Hawaiian Electric Industries, Inc.'s Vice President-Administration and Corporate Secretary. Prior to this, she was a Litigation Associate with Cades Schutte Fleming and Wright. Ms. Wong is engaged in a number of community service programs and currently serves on the Executive Committee of the Goodwill Industries and the Honolulu Symphony Campaign Cabinet.

She has previously served on the Hawaii Employers Council Board of Governors; the YWCA Leader Luncheon; and the Mayor's Review Team. She is currently the Vice Chair of the Statewide Health Coordinating Council.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1449 Health on Gov. Msg. Nos. 322 and 339**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WEST OAHU SUBAREA

G.M. No. 322 NANCY A. FRAZIER, for a term to expire 6-30-2012; and

G.M. No. 339 FREDERICK SHAW, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to health planning for the people of the West Oahu subarea. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Health Planning Council, West Oahu Subarea, to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted supporting the nomination Nancy A. Frazier from St. Francis Residential Care Community and Community Health Services, Aloha Medical Mission, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Frazier is a Parish Nurse with the St. Francis Healthcare System and conducts outreach in the community. Prior to this position, Ms. Frazier was employed by Pacificare and Kaiser Permanente. She is a graduate of the Kapiolani Community College's nursing program and has been a registered nurse for over thirty years. Ms. Frazier worked as a volunteer with the Aloha Medical Mission for eight years with special concerns for the needs of children living in rural areas and the economically disadvantaged.

Mr. Shaw is a Senior Analyst with Kaiser Permanente. He has also served as a database analyst for Aloha Care and Information Center Manager and Finance Manager for Waianae Coast Comprehensive Health Center. Mr. Shaw has been an active volunteer in the community serving as Vice President of Waianae Coast Community Mental Health Center; member of the Finance Committee of the Native Hawaiian Health Care Act Oahu Planning Committee; and board member of the Waianae Coast Coalition for Human Services. As a resident of West Oahu, a professional in the health care management and a community volunteer, Mr. Shaw is well aware of the critical healthcare issues faced by residents.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1450 Higher Education on Gov. Msg. Nos. 310 and 468**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 310 ERIC K. MARTINSON, for a term to expire 6-30-2009; and

G.M. No. 468 ERIC K. MARTINSON, for a term to expire 6-30-2014.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Eric K. Martinson to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from the Office of Hawaiian Affairs; Hawaiian Host; Central Pacific Bank, Island Insurance; Sopogy, Inc.; Grant Thornton, LLP; Japanese Cultural Center of Hawaii; Kobayashi, Sugita & Goda; and five individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Eric K. Martinson is Managing Director and Vice President of Tradewind Capital Group, Inc., an investment subsidiary of Island Holding, Inc., engaged in real estate and private equity investment and asset management. Prior to this position, Mr. Martinson was Co-Founder and Managing Director of MN Capital Partners, LLC, from 1997-2006. He also served as Director of the Financial Asset Division of Kamehameha Schools Bernice Pauahi Bishop Estate from 1984-1997, and as a financial and investment analyst. Mr. Martinson is a graduate of the University of Hawaii at Manoa with a Bachelor of Business Administration in Finance, and holds a Master of Business Administration from the Duke University Fuqua School of Business. In addition to his extensive career in finance, Mr. Martinson is active in many business and community organizations, including serving as a member of the Boards of Directors of Hoike Holdings LLC, Sopogy, Inc., and Enterprise Honolulu; as a Mentor for the Hawaii Business Entrepreneur and Acceleration Mentors (HiBEAM); and as Administrator of several commemorative scholarship funds. His past leadership activities include, but are not limited to, Chairman of the Steering Committee for the Hokulea Voyage to Micronesia and Japan, member of the Committee to Save the Japanese Cultural Center of Hawaii, and Business Mentor for the Native Hawaiian Chamber of Commerce.

Your Committee discussed a number of critical issues with Mr. Martinson, including the challenges of balancing a declining budget with commitments to University areas of excellence, increasing alumni financial support, and opportunities for the University as a result of federal economic stimulus packages. Your Committee has also reviewed Mr. Martinson's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, his suggestions for dealing with the unprecedented budget crisis, and his views on the current ten-campus University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Takamine).

**SCRep. 1451 Higher Education on Gov. Msg. No. 309**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 309 CHUCK YIM GEE, for a term to expire 6-30-2010.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Chuck Yim Gee to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from the City and County of Honolulu's Office of the Mayor; Hong Kong China Hawaii Chamber of Commerce; Kuakini Health System; Kingdom Hotel Investments; Wailana Coffee House; V2 Leadership Group, Inc.; Global Education Trust; Coldwell Banker Pacific Properties; and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Chuck Yim Gee is currently a Consultant and Advisor in the areas of international tourism, hotel investment, and human resources. Prior to his current work, Mr. Gee served as the Dean of the School of Travel Industry Management at the University of Hawaii Manoa from 1976-2000, and as Associate Dean and Professor from 1968-1975, and was honored with the title of Dean Emeritus upon his retirement. Mr. Gee has also provided his expertise as Interim Dean, College of Business, University of Hawaii at Manoa from 1998-2000 and served for many years as Advisor to the East-West Center Institute of Technical Exchange Tourism Training Program. Mr. Gee is a graduate of the University of Denver, and holds a Master's Degree from Michigan State University. As a result of his extensive experience, he has been appointed three times to the fifteen-member Travel and Tourism Advisory Board of the United States Department of Commerce, and was a delegate representing the State of Hawaii at the first White House Conference on Travel and Tourism in 1995. Mr. Gee has played an active role in many professional and community organizations, including but not limited to the Pacific Asia Travel Association, Board of Directors of Kuakini Health System, and the Mayor's Advisory Committee for the Oahu Strategic Tourism Plan.

Your Committee discussed several critical issues with Mr. Gee from his perspective based on his many years as Dean, including the challenges facing the next President of the University of Hawaii, projected tuition increases, and how the system can better respond to current and future challenges. Your Committee has also reviewed Mr. Gee's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, his suggestions for dealing with the unprecedented budget crisis, and his views on the current ten-campus University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Takamine).

**SCRep. 1452 Higher Education on Gov. Msg. No. 308**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 308 MARK H. FUKUNAGA, for a term to expire 6-30-2011.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Mark Fukunaga to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from the City and County of Honolulu's Office of the Mayor; First Hawaiian Bank; Central Pacific Bank; Punahou School; Outrigger Enterprises Group; Hawaii Children's Discovery Center; Dgm Group; Hawaii National Bank; Honolulu Japanese Chamber of Commerce; KCAA Preschools of Hawaii; Chun, Kerr, Dodd, Beaman & Wong; and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mark Fukunaga is Chairman and Chief Executive Officer of Servco Pacific, Inc., a company he has been associated with in various corporate officer positions since 1988. At Servco Pacific, Inc., Mr. Fukunaga is responsible for approximately 1,100 employees in Hawaii and Australia, and management of revenues of \$650,000,000. Prior to that, he was a Corporate Attorney with a law firm in New York. Mr. Fukunaga is a graduate of Pomona College in California and holds a law degree from the University of Chicago Law School. In addition to his professional expertise, he is active in a wide range of professional and community organizations. Mr.

Fukunaga is a member of several corporate boards, including Outrigger Enterprises, Inc., Nippon Golden Network, and Hoku Scientific, among others. He is also actively involved in community organizations ranging from the Children's Discovery Center, Hawaii Business Roundtable, Honolulu Academy of Arts, Salvation Army, and University of Hawaii Foundation. In addition, he serves as a Trustee of Pomona College as a member of an investment committee that oversees a \$1,300,000,000 endowment, and a Trustee of Punahou School, where he is Chair of the Finance Committee.

Your Committee discussed a wide range of issues with Mr. Fukunaga, including his experiences in bringing business education to high school students, his fundraising expertise, his views on the role of sports at the University and whether sports might be expanded system wide, and how to bring about increased involvement of the community in the life of the University. Your Committee has also reviewed Mr. Fukunaga's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, his suggestions for dealing with the unprecedented budget crisis, and his views on the current ten-campus University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Takamine).

**SCRep. 1453 Higher Education on Gov. Msg. No. 307**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 307 RAMON S. DE LA PENA PHD, for a term to expire 6-30-2012.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Ramon S. de la Pena to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from the Kauai County Office of the Mayor; Kauai Filipino Chamber of Commerce; National Federation of Filipino American Associations, Region 12; Filipino Coalition for Solidarity; Oahu Filipino Community Council; Filipino American Citizens League; A&B Properties, Inc.; Northrup Grumman; Pecson & Associates; and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ramon S. de la Pena, Ph.D., is an Emeritus Agronomist and Professor, University of Hawaii. Dr. de la Pena has an extensive and distinguished career as an agronomist, and has been associated with the University of Hawaii since the 1960s. He holds a Bachelor of Science in Agriculture from the University of the Philippines, and master's and doctorate degrees from the University of Hawaii at Manoa. Dr. de la Pena worked as a Research Agronomist at the Kauai Experiment Station from 1967 until his retirement in 2001, where he conducted research on tropical crop production with an emphasis on taro production and improvement. He has published over eighty-five scientific papers in tropical agriculture, and throughout his career, has served as a mentor to high school students on Kauai. Dr. de la Pena is also active in numerous community organizations, including the Kauai Filipino Chamber of Commerce, and the Kauai Pangasinan Association, and has served on the County of Kauai Charter Review Commission, County of Kauai Planning Commission, and County of Kauai Office of Elderly Affairs Policy Board. He is a reappointment to the Board of Regents, where he has served since 2004.

Your Committee discussed several critical issues with Dr. de la Pena, including the importance of research and research funding for the University of Hawaii System, the cultural considerations that may be arise during the research process, and the opportunities for the University related to federal funding in energy and renewable energy projects and research. Your Committee has also reviewed Dr. de la Pena's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, his suggestions for dealing with the unprecedented budget crisis, and his views on the current ten-campus University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Takamine).

**SCRep. 1454 Transportation, International and Intergovernmental Affairs on Gov. Msg. No. 567**

Recommending that the Senate advise and consent to the nomination of the following:

MEDICAL ADVISORY BOARD

G.M. No. 567 DAVID M. SAITO MD, for a term to expire 6-30-2011.

Your Committee received testimony in support of David M. Saito, M.D. from the Department of Transportation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Saito is in private practice. He is currently serving on the Medical Advisory Board. Dr. Saito received a Doctor of Medicine degree from the University of Hawaii John A. Burns School of Medicine, and a Bachelor of Science degree in Biomedical Engineering from the Case Western Reserve University. He is a member of several professional medical associations and has hospital affiliations at all the major hospitals on Oahu.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1455 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 593**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

G.M. No. 593 CAROLYN KEHAUNANI ABAD, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Carolyn Kehaunani Abad to have the requisite qualifications to be nominated to the Island Burial Council, Island of Oahu.

Testimony in support of the nomination was submitted by one state agency and two public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Dr. Abad received her Bachelor's degree in Secondary Education and Anthropology, her Master's degree in Anthropology, and her Doctor of Philosophy in Hawaiian Archaeology from the University of Hawaii at Manoa. She is presently employed as the Director for Kamehameha Publishing and the Hawaiian Cultural Specialist for Hookahua (Hawaiian Cultural Development Office) with Kamehameha Schools, and is an affiliate Graduate Faculty member for the University of Hawaii at Manoa Anthropology Department. Dr. Abad currently serves on the Island Burial Council, Island of Oahu and satisfies the requirement that a member represent a large landowner and developer.

Dr. Abad will represent Kamehameha Schools on the Island Burial Council, Island of Oahu. She has a strong personal commitment to ensuring that human remains and burial goods are treated with the utmost respect and, in the cases of Hawaiian individuals, in accordance with Hawaiian cultural values. Dr. Abad has extensive experience in Hawaiian cultural matters, including burials, from her personal upbringing, community involvement, academic training, and professional roles.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Takamine, Hemmings).

**SCRep. 1456 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 594 and 595**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 594 DAVID C. GOODE, for a term to expire 6-30-2010; and

G.M. No. 595 JOHN MORGAN, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds David C. Goode and John Morgan to have the requisite qualifications to be nominated to the Board of Land and Natural Resources.

Testimony in support of the nomination of David C. Goode was submitted by one state agency, one Maui County Council member, five organizations, and seven public citizens.

Mr. Goode received his Bachelor's degree in Electrical Engineering from the University of California, Santa Barbara. He is presently employed as President of KSD Hawaii, and he serves as President of the Board for the Maui Contractors Association, is Vice President of the Board of the Carden Academy of Maui, and is a coach and referee for the American Youth Soccer Organization. Mr. Goode was a member of the Hawaii 2050 Sustainability Task Force, member of the Board for the Maui Symphony Orchestra, Chair of the Architecture Review Committee for the Kulamanu Community Association, and President of the Tri-Isle Resource Conservation and Development District.

As the former Director and Deputy Director of the Maui County Department of Public Works and Waste Management, Mr. Goode worked closely with the county council, the public, and the employees to implement actions focused on delivering better public services while improving the environment. He has a demonstrated commitment to the community and brings a unique understanding of land and natural resource management issues from his experience in both the private and public sectors.

Testimony in support of the nomination of John Morgan was submitted by two state agencies, twelve organizations, and three public citizens.

Mr. Morgan attended the University of Hawaii and the University of Oregon, majoring in Economics. He is presently employed as the President of Kualoa Ranch Hawaii, Inc. Mr. Morgan satisfies the requirement that a member represent Oahu. He volunteers with the Hawaii Visitor and Convention Bureau, the Hawaiian Mission Children's Society, and the Oahu Cemetery, and he is a member of

the Hawaii Cattlemen's Council, Inc. and the Activities and Attractions Association of Hawaii. Mr. Morgan has served on the Trust for Public Land Hawaiian Islands Advisory Board, the Board of Directors of the Bishop Museum, the Board of Directors of the Hawaii Nature Center, and as a member and Chairperson of the Kaneohe Bay Regional Council.

Mr. Morgan began his career with Kualoa Ranch in 1973 as a part-time laborer, and in 1981 he was promoted to manager. In 1985, he started a diversified recreation operation at Kualoa Ranch including tours and activities in agriculture, outdoor recreation, education, and Hawaiian culture. Kualoa Ranch, which is designated on the National Register of Historic Places, demonstrates how thoughtful planning and vision can balance preservation, heritage tourism, economic development, and land stewardship. Mr. Morgan's broad experience with land and resource management, excellent reputation in the livestock industry, and personal judgment make him an invaluable asset for the Board of Land and Natural Resources.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Takamine, Hemmings).

**SCRep. 1457 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. No. 560**

Recommending that the Senate advise and consent to the nomination of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 560 COLETTE Y. P. MACHADO, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Colette Y.P. Machado to have the requisite qualifications to be nominated to the Kahoolawe Island Reserve Commission.

Testimony in support of the nomination was submitted by two state agencies, one state commission, and two public citizens. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Machado received her Bachelor's degree in Education from the University of Hawaii at Manoa. She is presently employed as the President and Executive Director of Ke Kuaaina Hanauna Hou and a Trustee for the Office of Hawaiian Affairs representing Molokai and Lanai. Ms. Machado satisfies the requirement that a member represent the Office of Hawaiian Affairs.

Ms. Machado serves on the Molokai Action Team, is President of the Molokai Hawaiian Academy of Knowledge, and is a member of Hui Alaloha Inc. and Phi Lambda Theta-Beta Zeta Chapter, Honor Sorority for Professional Women in Education.

Her involvement with the preservation of Kahoolawe is extensive. Ms. Machado has been a member of Protect Kahoolawe Ohana since 1980 and is a Board Director and Treasurer for the Protect Kahoolawe Fund. She served as a member and Chair of the Kahoolawe Island Reserve Commission from 1994 to 2005. Ms. Machado possesses the institutional knowledge of the negotiated agreements between the United States Navy and the State, experience with the fiscal and administrative history, and the qualifications to return to the Kahoolawe Island Reserve Commission.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Takamine, Hemmings).

**SCRep. 1458 Water, Land, Agriculture and Hawaiian Affairs on Gov. Msg. Nos. 596 and 597**

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 596 THOMAS P. CONTRADES, for a term to expire 6-30-2013; and

G.M. No. 597 NICHOLAS W. TEVES JR., for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Thomas P. Contrades and Nicholas W. Teves Jr. to have the requisite qualifications to be nominated to the Land Use Commission.

Testimony in support of the nomination of Thomas P. Contrades was submitted by one Hawaii State House Representative, one state agency, one state commission, and the Kauai County Mayor.

Rev. Contrades attended Chaminade University. He is retired after twenty-two years as a Business Agent with the International Longshore and Warehouse Union Local 142, Kauai Division. Rev. Contrades is President of the Board for Na Kupaa O Kuhio, Vice President of the Aloha Council – Boy Scouts of America, an Advisory Board Member of Hale Opio Kauai, Inc., and a Lector and ordained Deacon of the Diocese of Hawaii for the Immaculate Conception Catholic Church. He currently serves on the Land Use Commission and satisfies the requirement that a member represent Kauai.

Rev. Contrades received the Silver Beaver Award in 1994 from the Aloha Council – Boy Scouts of America, the George Meany Award in 1992 from the Boy Scouts of America National Council, the First Lady's Outstanding Volunteer Award for Hawaii in 1992,



and the District Award of Merit – Kauai District from the Boy Scouts of America. He has had extensive community involvement including as a member of the Hawaiian Homes Commission, as a Board member for Kauai Economic Opportunity, Inc., as a Board member for United Way of Kauai, and as Chair of the County of Kauai Planning Commission. Rev. Contrades' strong professional and community background is of tremendous benefit to the Land Use Commission.

Testimony in support of the nomination of Nicholas W. Teves Jr. was submitted by one state agency and one state commission. Testimony in opposition was submitted by one public citizen.

Mr. Teves is presently employed as President and Electrical Contractor for Commercial Electric, Inc. Mr. Teves is President of the Pacific Electrical Contractors Association and a Board member for the Sand Island Business Association. He currently serves on the Land Use Commission and satisfies the requirement that a member represent Oahu.

Mr. Teves is a lifelong resident of Hawaii and is aware of the unique natural and cultural resources of Hawaii. He is also a successful small businessman, who has operated through several full economic cycles. Mr. Teves brings this important perspective to the Land Use Commission, and has demonstrated patience, competence, and an ability to balance efficiency and process. He focuses on balancing protecting natural and cultural resources and promoting appropriate economic development.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Fukunaga, Takamine, Hemmings).

**SCRep. 1459 Labor on Gov. Msg. No. 586**

Recommending that the Senate advise and consent to the nomination of the following:

HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 586 EDWARD G. SANCHEZ, for a term to expire 6-30-2012.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Edward G. Sanchez to have the necessary qualifications to be appointed to the Hoisting Machine Operators Advisory Board.

Testimony in support of the nomination of Edward G. Sanchez was submitted by one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Sanchez worked for eight years as a Crane Operator Supervisor, operating portal, floating, truck, hydraulic, and bridge cranes. Prior to that position, Mr. Sanchez worked as a Crane Load Test Director, working with Category 1, 2, and 3 cranes; a Training Leader/License Examiner; and a Crane Operator Supervisor/License Examiner. He served in the United States Army in Vietnam operating heavy equipment and mobile truck cranes loading explosive ammunition.

Mr. Sanchez has served his community through his contributions on a special project for the neighborhood board to close a park entrance easement that was a high-crime area and return the property back to its owners. Although Mr. Sanchez is retired, he maintains an interest in crane operations and a concern for the proper operation of cranes. Mr. Sanchez believes in the importance of tracking crane operators' qualifications and certifications and would contribute to the Hoisting Machine Operators Advisory Board important ideas on improving the operation of cranes.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1460 Labor on Gov. Msg. Nos. 513 and 514**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 513 SCOTT A. KAMI, for a term to expire 6-30-2013; and

G.M. No. 514 WESLEY MACHIDA, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Scott A. Kami and Wesley Machida to have the necessary qualifications to be nominated to the Board of Trustees of the Deferred Compensation Plan.

Testimony in support of the nomination of Scott A. Kami was submitted by two state agencies and seven individuals. Comments were submitted by one organization.

Mr. Kami has served as an Administrator for the Financial Administration Division of the Hawaii State Department of Budget and Finance for the past eight years. His previous experience includes work as a Finance Branch Manager of the Housing and Community Development Corporation of Hawaii and Loan Officer for First Interstate Bank of Hawaii.

Mr. Kami is extremely knowledgeable in public finance with significant experience in state investments, bond issues, and housing financing. He is highly regarded as a dedicated, dependable, and responsible worker and administrator who will be a valued asset to the Board of Trustees of the Deferred Compensation Plan.

Testimony in support of the nomination of Wesley Machida was submitted by two state agencies and four individuals. Comments were submitted by one organization.

Mr. Machida earned a Master of Business Administration in Finance and a Bachelor of Economics from the University of Hawaii at Manoa, and a Bachelor of Business Administration in Accounting from Chaminade University. He is currently an Assistant Administrator for the state Employees' Retirement System, which has an \$8,700,000,000 investment portfolio and over 108,000 members, retirees, and beneficiaries. Previously, Mr. Machida worked as an Assistant Auditor for the state Office of the Auditor, Senior Audit Manager for Grant Thornton LLP, and Assistant Administrator for the Hawaii Child Support Enforcement Agency. He is a Certified Public Accountant and has been a member of the Government Finance Officers Association since 2001.

Mr. Machida is highly regarded as a man of integrity who is extremely responsible and has a deep understanding of financial and investment markets. He is reliable, responsible, hard-working, and committed to helping Plan members achieve their long-term financial goals. Mr. Machida also has the ability to build consensus among various groups and people to reach important decisions. All of these qualities make him an excellent candidate for the Board of Trustees of the Deferred Compensation Plan.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1461 Labor on Gov. Msg. No. 587**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 587 CHRISTOPHER D. TATUM, for a term to expire 6-30-2011.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Christopher D. Tatum to have the necessary qualifications to be appointed to the Hawaii Workforce Development Council.

Testimony in support of the nomination of Christopher D. Tatum was submitted by two state agencies and two organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Tatum earned a Bachelor of Arts degree from Michigan State University. He is currently the General Manager of Waikiki Beach Marriott Resort & Spa, and he has eight years of prior experience as a General Manager of JW Marriott Ihilani Resort & Spa at Ko Olina, Renaissance Wailea Beach Resort, and Brisbane Marriott Hotel, in Australia.

In addition to his work experience, Mr. Tatum is active in several tourism-related organizations. He is the Chairperson of the Oahu Visitors Bureau and a Board member of the Hawaii Visitors and Convention Bureau, the Waikiki Improvement Association, the Waikiki Community Center, and the Hawaii Hotel Association.

Mr. Tatum is keenly aware of the issues relating to Hawaii's workforce, especially in the tourism industry, and their impact on the local economy. Mr. Tatum's commitment to educating students on the job opportunities, skills development, and managerial opportunities in the tourism industry, together with his industry experience and knowledge, make him an excellent candidate for the Hawaii Workforce Development Council.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Bunda, Hee).

**SCRep. 1462 (Joint) Energy and Environment and Commerce and Consumer Protection on S.R. No. 18**

The purpose of this measure is to request the Department of Health to implement a statewide rainwater detention and retention pond safety program to:

- (1) Encourage and assist developers or persons responsible for constructing or maintaining a retention pond, detention pond, or catchment area pond to adopt a maintenance and inspection plan to ensure adequate safety;
- (2) Encourage installation of chain link or see-through fencing and signage to deter children from playing and congregating around or near these ponds or drainage areas; and
- (3) Develop retention pond, detention pond, and catchment area pond safety components in the Department of Health's curriculum.

Testimony in support of the measure was submitted by twelve individuals. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that, although retention and detention ponds can be effective for stormwater management and flood control, they can also pose risks to public health, safety, and welfare. It is critical that the Department of Health help to protect the health and safety of Hawaii's citizens, especially children, by implementing a statewide rainwater detention and retention pond safety program. This program will encourage and assist developers or other persons responsible for the construction and maintenance of a rainwater drainage system to adopt a maintenance and inspection plan and to consider adequate safety provisions, such as the installation of fencing and signage to deter children from playing or congregating around or near those ponds. A program like this could have prevented the tragic and heartbreaking death of Charlotte "Sharkey" Schaefer.

Your Committees have amended this measure by making technical, nonsubstantive amendments for clarity and style.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 18, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 18, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 1463 Energy and Environment on H.C.R. No. 56**

The purpose of this measure is to urge the United States Congress to oppose oil and gas exploration and development in the Arctic National Wildlife Refuge and on the Outer Continental Shelf and to support clean, renewable energy alternatives.

Testimony in support of the measure was submitted by two individuals. Comments were submitted by one private organization. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that the Arctic National Wildlife Refuge (Refuge) is home to some of the most diverse and spectacular wildlife in the arctic and is the most important onshore denning habitat for America's vanishing polar bears. Drilling in the Refuge will cause irreparable harm to these areas. Even with safety protocols in place, each year United States drilling operations send an average of 880,000 gallons of oil into the ocean. These harms are not outweighed by potential benefits. The United States Energy Information Administration has concluded that at its peak in 2030, oil from the Refuge would only lower gas prices by a few pennies per gallon and produce between approximately one and three per cent of Americans' daily consumption. Your Committee finds that the better course of action is to move toward a new energy efficient and renewable economy.

Your Committee has amended this measure by making technical, nonsubstantive changes to its title and body for style and clarity purposes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 1464 Energy and Environment on H.C.R. No. 65**

The purpose of this measure is to:

- (1) Request the Hawaii-American Water Company to implement an odor mitigation plan for its facility;
- (2) Request the Hawaii-American Water Company to present the completed plan to interested government and community stakeholders; and
- (3) Request the Department of Health to monitor the implementation of these odor mitigation measures and to report any progress to the Hawaii Kai Neighborhood Board.

Testimony in support of this measure was submitted by the Hawaii Kai Neighborhood Board and nine individuals. Testimony in opposition to the measure was submitted by the Hawaii-American Water Company (HAWC). Comments were submitted by the Department of Health. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, notwithstanding any mitigation efforts made by HAWC, the odor problems from the East Honolulu Wastewater Treatment Plan continue to plague area residents and has been an ongoing issue. As pointed out by the Department of Health in testimony, part of the problem may be that while Hawaii has an ambient air quality standard for hydrogen sulfide (the compound causing the offensive odor) of 25 parts per billion (ppb), the hydrogen sulfide level that each person can detect varies and may be as low as five ppb. Thus, even if HAWC may be in compliance with state law, the offensive odors may nonetheless be detectable and affecting the quality of life for surrounding residents and tourists.

Your Committee finds that these quality of life concerns should be addressed. HAWC, as a good neighbor, should develop and implement a transparent and accountable odor mitigation plan that deals with these concerns. However, the Department of Health testified that it does not have the authority to compel HAWC to develop and comply with this plan and its implementation. Accordingly, HAWC should self-monitor its implementation of the plan and provide a written status and progress report on a monthly basis to all applicable agencies and interested parties, including the Hawaii Kai Neighborhood Board.

Accordingly, your Committee has amended this measure by:

- (1) Requesting that HAWC submit its plan to the Legislature, the Honolulu City Council, the Public Utilities Commission, the Department of Health, and the Hawaii Kai Neighborhood Board, rather than to individual area legislators or councilmembers;
- (2) Requesting HAWC to self-monitor its progress in implementation of its plan and to make monthly progress reports to the Honolulu City Council, the Public Utilities Commission, the Department of Health, and the Hawaii Kai Neighborhood Board,

rather than request the Department of Health to monitor the implementation of odor mitigation measures and to report progress to the Hawaii Kai Neighborhood Board;

- (3) Sending certified copies of the measure to the Honolulu City Council, the Public Utilities Commission, the Department of Health, the Hawaii Kai Neighborhood Board, and HAWC, and not to individual area councilmembers; and
- (4) Making technical, nonsubstantive amendments for accuracy, clarity, and style, including a nonsubstantive technical amendment to its title.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 65, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 65, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Kokubun, Hemmings).

**SCRep. 1465 (Joint) Public Safety and Military Affairs and Health on H.C.R. No. 42**

The purpose of this measure is to request the Department of Defense to allow available surplus helicopters to be used for medical evacuation services.

Testimony in support of this measure was submitted by one private organization and one individual. Comments on this measure were submitted by one state agency. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that health care for seriously injured or sick persons in rural areas throughout the State has been hampered by a delayed or deliberate system of operations to reach those persons. Your Committees also find that the use of helicopters to reach those seriously injured or sick persons in rural areas would provide a tremendous advantage for effectively treating and caring for those persons. Your Committees further find that the helicopters owned by the Department of Defense are not always in use and are available for other critical uses.

Your Committees have amended this measure by:

- (1) Requesting the Department of Defense to allow any "available" helicopters, rather than "available surplus" helicopters, to be used for medical evacuation services; and
- (2) Making a conforming amendment to the title of the measure in light of the foregoing amendment; and
- (3) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 42, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 42, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Noes, none. Excused, 3 (Baker, English, Hemmings).

**SCRep. 1466 Public Safety and Military Affairs on H.C.R. No. 19**

The purpose of this measure is to strongly urge the Secretary of Defense and the President of the United States to award the Congressional Medal of Honor to Sergeant Rafael Peralta.

Your Committee did not receive testimony on this measure.

Your Committee finds that the story behind the ultimate sacrifice made by Sergeant Rafael Peralta has gained national attention and notoriety. Your Committee also finds that in considering the award of the Medal of Honor, the Secretary of Defense should consider all the facts and circumstances surrounding the sacrifice made by Sergeant Rafael Peralta, including giving substantial weight to the statements of the Marines who personally witnessed the incident, rather than the conclusions of a pathologist who did not witness the incident.

Your Committee further finds that the current Presidential Administration has not had an opportunity to examine the facts and circumstances of Sergeant Rafael Peralta's sacrifice or the opportunity to comment on the issue of awarding the Medal of Honor to Sergeant Rafael Peralta.

Your Committee has amended this measure by:

- (1) Requesting the Secretary of Defense to consider all the facts and circumstances surrounding the sacrifice made by Sergeant Rafael Peralta, including giving substantial weight to the statements of the Marines who personally witnessed the incident, rather than basing the decision on the conclusions of a pathologist who did not witness the incident, especially when those conclusions have been disputed by at least four other experts, including Sergeant Peralta's battalion surgeon, two neurosurgeons, and a neurologist who examined the autopsy reports.
- (2) Adding the requirement for the current President of the United States to have an opportunity to examine all the facts and circumstances surrounding the sacrifice made by Sergeant Rafael Peralta for his fellow soldiers and for the current President to have an opportunity to comment on the issue of whether or not to award the medal of honor to Sergeant Rafael Peralta; and
- (3) Adding Sergeant Peralta's mother to the list of persons to whom this Concurrent Resolution be transmitted; and
- (4) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 19, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 19, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1467 Public Safety and Military Affairs on H.C.R. No. 24**

The purpose of this measure is to urge the United States Postal Service to issue commemorative postal stamps honoring the following individuals or organizations:

- (1) World War II Japanese-American Nisei soldiers;
- (2) Other distinguished military units that have served during the history of the United States military; and
- (3) Those who were instrumental in enhancing race relations in the United States and who worked toward ending discrimination based on race or national origin.

Testimony in support of this measure was submitted by three private organizations and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that from time-to-time the United States Postal Service has issued commemorative stamps that honor select individuals or groups that have made a significant contribution to our country or have made a significant impact on the people of the United States. Your Committee also finds that paying tribute to the Nisei soldiers that served in World War II and other distinguished military units, as well as to those individuals and organizations who were instrumental in enhancing race relations and worked toward ending discrimination based on race or national origin in the United States, through the issuance of postal stamps that commemorate their efforts would be a fitting legacy for those individuals and groups.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 24, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 24, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Hemmings).

**SCRep. 1468 Commerce and Consumer Protection on Gov. Msg. No. 568**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL BOARD

G.M. No. 568 NIRAJ S. DESAI, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. A written statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee is a nephrologist with extensive experience in clinical practice, research, and teaching. Your Committee notes that, in addition to overseeing a solo clinical practice, this nominee also serves as Associate Medical Director of Liberty Dialysis of Hawaii and formerly held the position of Medical Director, Patient Safety & Quality Services at Kauai Medical Center. Your Committee finds that this nominee gained experience with issues of electronic medical records, online care, and access to care through his position at Kauai Medical Center where he served on the Credentials Committee and on a project to investigate the use of electronic medical records. Your Committee finds that this nominee's knowledge of emerging service delivery protocols and his awareness of access issues, especially for patients in rural areas and on the neighbor islands, will be especially helpful to the Board. Your Committee finds that this nominee has been appointed based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1469 Commerce and Consumer Protection on Gov. Msg. Nos. 570 and 571**

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 570 MICHAEL CHING, for a term to expire 6-30-2013; and

G.M. No. 571 KENT K. TSUKAMOTO, for a term to expire 6-30-2013.

Your Committee received testimony in support of the nomination of Michael Ching from the Department of Commerce and Consumer Affairs, the Hawaii Society of Certified Public Accountants, and three private citizens.

Your Committee received testimony in support of the nomination of Kent K. Tsukamoto from the Department of Commerce and Consumer Affairs, the Hawaii Society of Certified Public Accountants, and six private citizens.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Mr. Ching has over fifteen years of experience in the accounting field, working with companies in a range of industries including airlines, financial services, telecommunications, technology, real estate, hospitality, and non-profit organizations, and also ranging from large, publicly held companies to smaller non-profit organizations and privately owned companies. Your Committee also notes that this nominee has demonstrated a commitment to the accounting profession as a member of the Hawaii Society of Certified Public Accountants and of the American Institute of Certified Public Accountants (AICPA), and to community service as a member of the Executive Board of the Aloha Council of the Boy Scouts of America and his involvement with the American Diabetes Association and the Friends of the Cancer Research Center of Hawaii. Your Committee finds that Mr. Ching's youthful outlook, together with his experience in the accounting profession and the community, will bring a different perspective to the State Board of Public Accountancy.

Your Committee finds that Mr. Tsukamoto has over thirty years of experience in the accounting field, including serving as an appointed member of the governing Council of AICPA, representing the State of Hawaii; as an appointed member of the Tax Practice and Procedures Committee of the Tax Division of AICPA; as an adjunct professor in the Masters of Accounting program at the University of Hawaii; and as an expert witness in federal and state court proceedings, as well as arbitration and mediation settlement proceedings in Hawaii. Your Committee also notes that the nominee is very involved in the community, with, among other organizations, the Aloha United Way and the Blood Bank of Hawaii. Your Committee finds that this extensive professional experience and commitment to the accounting profession and the community have made this nominee a well-respected member of the accounting industry. This nominee has a thorough understanding of the accounting practices in Hawaii and nationally, and your Committee finds that he will make an excellent addition to the State Board of Public Accountancy.

Your Committee finds that these two nominees have been appointed based on their knowledge, experience, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1470 Commerce and Consumer Protection on Gov. Msg. No. 572**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF VETERINARY EXAMINERS**

G.M. No. 572 WENDY L. MAH, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs and one private citizen. Your Committee also received a resume from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that, although the nominee is seeking to serve as one of the Board's public members and is therefore not a licensed veterinarian, she does have extensive professional experience with animals. For over twenty years, Ms. Mah has operated a puppy training company that provides group and private consultation for puppies and dogs of all ages, covering obedience, behavior, and temperament training. She has also demonstrated commitment to community service through her affiliations with the Animal Behavior Society and the Association of Pet Dog Trainers. Your Committee finds that, with her education in animal experimental psychology and her professional and community experience, Ms. Mah will bring a different and valuable perspective to the Board and will be able to bridge the perspectives of the clinician and the community. Your Committee finds that this nominee was nominated to the Board of Veterinary Examiners based on her knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1471 Commerce and Consumer Protection on Gov. Msg. No. 566**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS**

G.M. No. 566 RAYMOND B. SKELTON, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs, Maui Contractors Association, and six private citizens. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee has twenty years of experience in the heavy construction industry, including experience in project management and supervision of large-scale development projects. Your Committee finds that this nominee's experience has given him first-hand knowledge of the issues facing the Board, such as the deterioration of the State's infrastructure and the need for

engineers, architects, surveyors, and landscape architects to maintain current knowledge and skills in order to use new and developing technology to meet the demands of a changing industry. Your Committee notes that this nominee has demonstrated a commitment to public service through active participation in both community and professional volunteer organizations. Your Committee finds that this nominee has been appointed based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1472 Commerce and Consumer Protection on Gov. Msg. No. 550**

Recommending that the Senate advise and consent to the nomination of the following:

**BOARD OF DIRECTORS OF THE HAWAII HURRICANE RELIEF FUND**

G.M. No. 550 MICHAEL P. HAMNETT, for a term to expire 6-30-2013.

Your Committee received testimony in support of this reappointment from the Department of Commerce and Consumer Affairs, State of Hawaii Department of Defense, and one private citizen. A written statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee for reappointment to the Board of Directors of the Hawaii Hurricane Relief Fund has served with distinction on the Board since 2007 by diligently attending meetings and actively participating in discussion. Your Committee finds that this nominee has an extensive background in disaster management and hazard mitigation which includes practical, policy-making, research, and academic activities. This nominee has worked with the Hawaii Hurricane Relief Fund since 1994, serving on the Technical Advisory Committee before becoming a member of the Board. Your Committee finds that this nominee's background in Pacific-focused disaster preparedness, climate issues, and coastal management make him uniquely qualified to serve on the Board. Your Committee further finds that this nominee has been reappointed to the Board based on his experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1473 Commerce and Consumer Protection on Gov. Msg. Nos. 548 and 549**

Recommending that the Senate advise and consent to the nominations of the following:

**BOARD OF DENTAL EXAMINERS**

G.M. No. 548 WAYNE S. ATEBARA, for a term to expire 6-30-2012; and

G.M. No. 549 ROBERT G. SHERMAN, for a term to expire 6-30-2013.

Your Committee received testimony in support of the nomination of Wayne S. Atebara from the Department of Commerce and Consumer Protection. A written statement and curriculum vitae were received from the nominee.

Your Committee received testimony in support of the nomination of Robert G. Sherman from the Department of Commerce and Consumer Affairs and six private citizens. A written statement and curriculum vitae were received from the nominee.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Dr. Wayne S. Atebara has been in private practice as an oral and maxillofacial surgeon for fifteen years. In addition to his clinical practice, Dr. Atebara also actively participates in professional organizations, including serving as a Director of the American Board of Oral and Maxillofacial Surgery (ABOMS) and serving on ABOMS committees dealing with education, training, and professional qualifications. Your Committee finds that this experience makes this nominee a uniquely qualified candidate for the Board. Your Committee further finds that this nominee has demonstrated an interest in professional and community service through volunteer activities including service on several committees of Hilo Medical Center and St. John's Mercy Medical Center.

Your Committee finds that Dr. Robert G. Sherman has extensive experience in both clinical and academic dentistry, including the supervision and management of United States Navy dental clinics and innovative programs to provide mobile dental care. This nominee has served on the faculty of both military and civilian dental schools, conducted continuing education seminars for practitioners, and published extensively, with a focus on clinical practice and patient care. Your Committee notes that this nominee has served successfully in several management positions where he has been responsible for supervising clinicians, creating service delivery protocols, and developing policy. Your Committee further notes that, in addition to his military service, this nominee also has experience in civilian dentistry through his work as a consultant with Hawaii Dental Services.

Your Committee finds that these nominees have been appointed to the Board of Dental Examiners based on their experience, qualifications, and commitment to public service

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1474 Commerce and Consumer Protection on Gov. Msg. Nos. 547, 563, 564 and 565**

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

- G.M. No. 547 HAROLD MARTIN, for a term to expire 6-30-2013;
- G.M. No. 563 JOHN E.K. DILL, for a term to expire 6-30-2013;
- G.M. No. 564 WILLIAM A. KAMAI, for a term to expire 6-30-2013; and
- G.M. No. 565 ALDON K. MOCHIDA, for a term to expire 6-30-2013.

Your Committee received testimony in support of the nomination of Harold Martin from the Department of Commerce and Consumer Affairs, SHIOI Construction, Inc., and one private citizen. A written statement and resume were received from Mr. Martin.

Your Committee received testimony in support of the nomination of John E.K. Dill from the Department of Commerce and Consumer Affairs, County of Hawai'i Office of the Corporation Counsel, the Building Industry Association of Hawaii, and two private citizens. A written statement and resume were received from Mr. Dill.

Your Committee received testimony in support of the nomination of William A. Kamai from the Department of Commerce and Consumer Affairs, Maui Contractors Association, The Pacific Resource Partnership, Kealoha Construction, Inc., and six private citizens. A written statement and resume were received from Mr. Kamai.

Your Committee received testimony in support of the nomination of Aldon K. Mochida from The Pacific Resource Partnership and one private citizen. A written statement and resume were received from Mr. Mochida.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Harold Martin has a total of fifty years experience in the steelwork and construction industries, including experience as a craftsperson, manager, and business owner. Mr. Martin's education and training includes Steelworkers School in the United States Navy and the University of Hawaii's Small Business Program. Your Committee finds that this nominee's experience and training in different aspects of the construction industry give him a broad perspective that will be valuable to the Board. Your Committee notes that this nominee has experience in regulatory and other issues that face the Board through his service as past President and a member of the Board of the Contractors Association of Kauai. Your Committee further notes that this nominee has demonstrated a commitment to community service through his participation in the Rotary Club of West Kauai and service as an Election Day Official for the last sixteen elections.

Your Committee finds that John E.K. Dill has almost ten years of experience in the construction industry, including work experience as an equipment operator as well as in management and supervisory roles. Your Committee notes that this nominee has worked closely with government and regulatory bodies in his work with the Hawaii Marine Recreational Fishing Survey and as project manager on several large public works projects such as Phases I, II, and III of the Mamalahoa Highway Improvements. Your Committee further notes that this nominee currently serves as Chair of the County of Hawaii Board of Ethics. Your Committee finds that, in this position, the nominee has managed the Board of Ethics, public, and media in a way that promotes governmental transparency while respecting the privacy rights of individuals. Your Committee finds that this experience upholding the public trust makes Mr. Dill uniquely qualified for a position on the Contractors License Board.

Your Committee finds that William A. Kamai has extensive experience in the construction industry, including twenty-two years as a journeyman carpenter and foreman on large construction projects and five years as an instructor in the Carpenter Apprenticeship Program at Maui Community College. Your Committee notes that this nominee also has experience in the management and regulatory aspects of the construction industry through his work as a Senior Service Representative for the Hawaii Carpenters Union and through his service on the Maui County Board of Variances and Appeals, Maui Coastal Land Trust, and Maui Island Labor Alliance, and other local government and community bodies. Your Committee further finds that this nominee demonstrates strong leadership, integrity, good judgment, and an ability to work well with people of diverse backgrounds and points of view.

Your Committee finds that Aldon K. Mochida has over thirty years of experience in the construction industry, including experience as a business owner as well as in project management and engineering. Your Committee finds that this nominee has developed an understanding of the Contractors License Board's licensing and regulatory functions through working in management roles for large commercial construction products and in his role as a construction company owner. Your Committee notes that this nominee has demonstrated a commitment to community service through his service in the United States Naval Reserves, his past work as a water safety instructor, CPR and first aid trainer, and lifeguard, and volunteer work with the Wailuku Hongwanji Mission.

Your Committee finds that these four nominees have been appointed based on their knowledge, experience, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).



**SCRep. 1475 Commerce and Consumer Protection on Gov. Msg. No. 546**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 546 RICHARD L. WILCOX, for a term to expire 6-30-2010.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs, the Hawaii State Chiropractic Association, and four private citizens. Your Committee also received a written statement and curriculum vitae from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee has over twenty years of experience as a chiropractor in the Maui community. Your Committee finds that this nominee has earned the respect of his colleagues in the chiropractic and medical communities for his ethical practice, clinical knowledge, and understanding of the laws and rules governing chiropractic practice. Your Committee notes that this nominee is a business owner as well as a clinician and, as such, has broad knowledge of the chiropractic field, which will be an asset to the Board. This nominee has a good understanding of the ethical and regulatory issues surrounding chiropractic practice, gained through active participation in professional organizations and conscientious pursuit of continuing education. Your Committee finds that this nominee was nominated to the Board of Chiropractic Examiners based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1476 Higher Education on Gov. Msg. Nos. 465, 466, 467 and 581**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL EDUCATION COUNCIL

G.M. No. 465 CHRISTI L. KELIPIO, for a term to expire 6-30-2013;

G.M. No. 466 SUSAN R. MURRAY, for a term to expire 6-30-2013;

G.M. No. 467 MARY E. WORRALL, for a term to expire 6-30-2013; and

G.M. No. 581 DARRYL S. SALVADOR PSY.D., for a term to expire 6-30-2011.

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Hawaii Medical Education Council.

Christi L. Keliipio is Director of Clinical Services and Perioperative Services at Kapiolani Medical Center at Pali Momi, where she has held administrative and management positions since 2003. Ms. Keliipio is a former Executive Director of the Hawaii Nurses Association, and has over twenty years of nursing experience, including ten years as a Registered Professional Nurse with the Department of Public Safety. She is a member of the nursing faculty at the University of Phoenix and has served on the nursing faculty at Hawaii Pacific University, as well. Ms. Keliipio holds a Bachelor of Science in Nursing from the University of Phoenix, a Master's of Science in Nursing from the University of Hawaii, and is a candidate for a Doctorate in Health Administration from the University of Phoenix. She is active in the American Organization of Nurse Executives, Sigma Theta Tau International, and Friends of the University of Hawaii School of Nursing. Ms. Keliipio is a reappointment to the Hawaii Medical Education Council.

Your Committee received testimony in support of Ms. Keliipio's nomination from the Healthcare Association of Hawaii.

Susan R. Murray is Regional Hospital Administrator and Vice President, Quality/Service at Kaiser Foundation Hospital, a position she has held since 2002. Ms. Murray has also served in senior administrative and management positions at Kapiolani Medical Center and Straub Clinic and Hospital in Honolulu; HCA Healthcare in Nashville, Tennessee; Woman's Hospital in Baton Rouge, Louisiana; and the University of Texas Southwestern Medical Center in Dallas, Texas. Ms. Murray is a graduate of the University of Hawaii, with a Bachelor of Arts in Psychology, holds a Master's of Business Administration from the University of Dallas, and is a graduate of the Advanced Leadership Program at the University of North Carolina Keenan Flager Business School. She is active in a wide range of professional and community organizations including the Healthcare Association of Hawaii; the American College of Healthcare Executives, Diplomate; the March of Dimes Hawaii Chapter; and has served on the Regents Advisory Council. Ms. Murray is a reappointment to the Hawaii Medical Education Council.

Your Committee received testimony in support of Ms. Murray's nomination from the Healthcare Association of Hawaii and Goodwill, Anderson, Quinn & Stifel.

Mary E. Worrall is a Licensed Realtor and Broker with extensive experience in Hawaii's real estate market. Her firm, Mary Worrall Associates Sotheby's International Realty, is among the top ten grossing real estate firms and she has been honored in Pacific Business News "Women in Business" for her many contributions in the field. She is an active member of the Honolulu Board of Realtors, where she has served on various committees, including the Ethics Committee. Ms. Worrall is a member of both the Hawaii and National Associations of Realtors, a Sustaining Member of the Junior League of Honolulu, and a Board Member of the Friends of the Children's Justice Center (Children's Alliance of Hawaii). She is also active in many health related community organizations, including the Women's Health Advisory Board, Kapiolani Hospital Auxiliary, Friends of the University of Hawaii School of Nursing, and Friends of the Cancer Research Center of Hawaii. Ms. Worrall is a reappointment to the Hawaii Medical Education Council.

Your Committee received testimony in support of Ms. Worrall's nomination from one individual.

Darryl S. Salvador, Psy.D., is Director of Behavioral Health Services at Molokai Community Health Care, Inc., a position he has held since 2006. Dr. Salvador has extensive experience in health psychology and behavioral medicine as a Staff Psychologist at the Waikiki Health Center, Tripler Army Medical Center, and Portland Veterans Administration Medical Center in Portland, Oregon, among others. He holds a Bachelor of Education and Master's of Education in Counseling and Guidance from the University of Hawaii at Manoa, and a Doctorate in Clinical Psychology from Argosy University in Honolulu. Dr. Salvador is the author of numerous publications, manuscripts, and scholarly presentations, with a focus on Asian American populations and multicultural counseling and therapy. He is active in many professional and community organizations, including the American Psychological Association, Hawaii Counseling Association, Hawaii Psychological Association, I Ola Lāhui Psychology Training Program Board of Directors/Clinical Faculty Supervisor, and University of Hawaii Alumni Association. Dr. Salvador is a new appointment to the Hawaii Medical Education Council.

Your Committee received testimony in support of Dr. Salvador's nomination from Tripler Army Medical Center; Hawaii Primary Care Association; Na Pu'uwai Native Hawaiian Healthcare System; Moloka'i Community Health Center; I Ola Lāhui Rural Hawaii Behavioral Health Program; Area Health Education Center, Maui County; and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for Darryl S. Salvador Psy.D.:

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

Signed by the Chair on behalf of the Committee.

Record of votes for all other nominees:

Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

**SCRep. 1477 Higher Education on Gov. Msg. No. 580**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 580 JAMES H.Q. LEE, for a term to expire 6-30-2014.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds James H.Q. Lee to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from Big Brothers Big Sisters of Honolulu; 'Iolani School; Devens, Nakano, Saito, Lee, Wong & Ching; and four individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

James H.Q. Lee is a Partner in the law firm Devens, Lo, Youth Nakano, Saito, Lee & Wong, a position he has held since 1990, and has practiced law in Hawaii since 1981 with a concentration in tax matters and real estate transactions. Mr. Lee is also a Director of the K.B. Lee Corporation, a family holding company, and from 1997-2008, was Managing Director of Let's Eat Hawaii, a partnership which owns and operates Sam Choy's restaurants in Hawaii, Guam, and Japan. He is a graduate of the University of Hawaii, with a Bachelors of Business Administration and a Juris Doctorate from the William S. Richardson School of Law. Mr. Lee is a member of the Hawaii State Bar, and is a licensed Certified Public Accountant. He is active in community organizations, including serving as Chair of the Board of Directors of Big Brothers Big Sisters of Hawaii Foundation, as 'Iolani School Family Fair Division Chair, and has received several awards for his philanthropic work.

Your Committee discussed issues of concern to the University with Mr. Lee, including his suggestions for dealing with the unprecedented budget crisis. Your Committee has also reviewed Mr. Lee's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, and his views on the current ten-campus University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

**SCRep. 1478 Higher Education on Gov. Msg. No. 579**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 579 JOHN C. HOLZMAN, for a term to expire 6-30-2014.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds John C. Holzman to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from the Asia-Pacific Center for Security Studies; Mediation Center of the Pacific, Inc.; Good Beginnings Alliance; La Pietra; and nine individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

John C. Holzman (Ret), most recently served as Foreign Policy Advisor with the United States Central Command in Tampa, Florida from 2004-2005 and as a Senior Civilian Advisor with the Coalition Provisional Authority in Iraq in 2004. He previously served as Foreign Policy Advisor with the United States Pacific Command in Honolulu from 2001-2003, as American Ambassador in Dhaka, Bangladesh, from 1997-2000, and has over thirty years of diplomatic experience in embassies and United States Department of State facilities throughout the world. He is a graduate of Georgetown University School of Foreign Service and holds a Master's degree from John Hopkins School of Advanced International Studies, and is the author of several publications on international relations topics. Mr. Holzman is active as a Senior Mediator with the Mediation Center of the Pacific and previously served as a board member of the Pacific and Asian Affairs Council.

Your Committee discussed a number of issues facing the University with Mr. Holzman, including his views on the University's role in an increasingly competitive global society. Your Committee has also reviewed Mr. Holzman's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, his suggestions for dealing with the unprecedented budget crisis, and his views on the current ten-campus University of Hawaii System.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

**SCRep. 1479 Higher Education on Gov. Msg. No. 306**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 306 MICHAEL A. DAHILIG, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Michael A. Dahilig to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from the University of Hawaii at Manoa Office of Student Life and Development; National Federation of Filipino Americans Associations, Region 12; Oahu Filipino Community Council; Filipino Americans Citizens League; Filipino Coalition for Solidarity; Central Pacific Bank; Goodwill, Anderson, Quinn & Stifel; International Union of Painters and Allied Trades, District Council 50; and ten individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Michael A. Dahilig is a Land Use and Environmental Planner with PBR Hawaii and Associates, a position he has held since July 2007. He has also worked as a Housing Advisor to Representative Maile S.L. Shimabukuro and as a Summer Associate with Dawn S. Chang, Esq./Kuiwalu Consulting. Mr. Dahilig is a graduate of the University of Hawaii, with a Bachelor of Science in Geology and Geophysics, and a Juris Doctor, Environmental Law Certificate from the William S. Richardson School of Law. He is currently a Candidate for a Master of Urban and Regional Planning degree at the University. While attending the University, Mr. Dahilig served as Student Body President of the Associated Students of the University of Hawaii at Manoa from 2002-2003, and as a member of the Board of Regents since September 2005. He is active in numerous community organizations, including serving as Vice-Chairman of the National Federation of Filipino-American Associations Region 12 and as Legal Counsel to the Honolulu Filipino Junior Chamber of Commerce, among others. Mr. Dahilig is a reappointment to the Board of Regents, where he previously served as the student member.

Your Committee discussed critical issues facing the University with Mr. Dahilig, and in particular how he perceived the role of the student member of the Board in responding to these issues. He acknowledged that the expectations for the student member are high, given the diverse student population represented, and that balancing expectations can be challenging. Your Committee has also reviewed Mr. Dahilig's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, his suggestions for dealing with the unprecedented budget crisis, and his views on the current ten-campus University of Hawaii System.

Following up on Mr. Dahilig's response to the questions of real or perceived conflicts, your Committee requested that he seek the opinion of University of Hawaii counsel as to whether or not he may participate in Board of Regents matters related to University of Hawaii – West Oahu, or any or all professional contracts, given his current employment.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Takamine).

**SCRep. 1480 Higher Education on Gov. Msg. No. 313**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 313 GRANT TUCK SUN TEICHMAN, for a term to expire 6-30-2010.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Grant Tuck Sun Teichman to have the necessary qualifications to be appointed to the Board of Regents of the University of Hawaii.

Your Committee received testimony in support of this nomination from the University of Hawaii at Manoa Outreach College, University of Hawaii at Manoa Co-curricular Activities, Programs and Services; University of Hawaii at Manoa Office of Student Life and Development; Atherton YMCA; Englekirk Partners Consulting Structural Engineers, LLC; Associated Students of the University of Hawaii at Manoa; and twelve individuals. The Associated Students of the University of Hawaii-Honolulu Community College; and three individuals provided testimony in opposition. The University of Hawaii Student Caucus expressed concerns. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Grant Tuck Sun Teichman is the third generation of his family to graduate from the University of Hawaii and he holds a Bachelor's degree in History, with Honors, and in Political Science. During his tenure at the University of Hawaii, Mr. Teichman served twice as the President of the Associated Students of the University of Hawaii, and most recently as the President-Elect for the University of Hawaii Student Union Campus Center Board. He was also a Staff Writer and Associate News Editor at Ka Leo O Hawaii and a Member of the Honolulu Mayor's High-Capacity Transit Advisory Committee. Currently, he is active as a Leadership Advisor for the YMCA Youth Legislative Program and is a Beta Tester for Paramount Pictures, Sony Entertainment Activision. Mr. Teichman is the recipient of numerous scholarships and awards, was a University of Hawaii Rhodes Scholar Nominee, and a member of the University of Hawaii Deans List for four semesters.

Your Committee discussed a range of issues with Mr. Teichman, including the challenges of serving as the student member of the Board, given the diverse student population of the University of Hawaii System. Your Committee has also reviewed Mr. Teichman's responses to questions regarding his motivation as a member of the Board of Regents, his goals and priorities for the University, his views on the University presidential selection process, his suggestions for dealing with the unprecedented budget crisis, and his views on the current ten-campus University of Hawaii System.

Your Committee has also discussed with Mr. Teichman the concerns raised by several students and student organizations regarding what the students perceive as serious lapses in communication and accessibility by Mr. Teichman. Your Committee would point out that the miscommunication appears to be in part due to misunderstandings and misinformation by both the students and the nominee. However, your Committee has requested that Mr. Teichman and the student caucus meet as quickly as possible to resolve these issues and to identify how they will work together and communicate more effectively in the future. As your Committee has noted before, the student member of the Board has a challenging role, and a very limited term of service. For these reasons, it is imperative that the student member and the students represented work in an atmosphere of mutual transparency and communication to ensure that the student voice is heard at the Board of Regents.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Takamine).

**SCRep. 1481 Commerce and Consumer Protection on Gov. Msg. No. 562**

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 562 CYNTHIA M. MARTIN, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from the Department of Commerce and Consumer Affairs. A written statement and resume were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee for appointment to the Cable Advisory Committee has an extensive record of public service and communications experience. In addition to professional experience in the communications and public relations field, this nominee has also served in both professional and volunteer positions with cultural and social service organizations. Your Committee further notes that this nominee's position on the Board of Directors of Akaku Community Television gives her a unique perspective on the function of community-based cable television and knowledge of the regulatory issues facing cable television providers. Your Committee finds that this nominee's professional experience in the public, private, and non-profit sectors make her highly qualified for a position on the Cable Advisory Board and to consider the interests of all of its constituents. Your Committee finds that this nominee was appointed based on her knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1482 Commerce and Consumer Protection on Gov. Msg. No. 569**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 569 GARRETT A. LAU, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs, Ho'ola Lahui Hawaii, and one private citizen. A written statement and curriculum vitae were received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee has fourteen years of experience as a pharmacist, including twelve years in supervisory and management roles. Your Committee notes that this nominee's professional experience includes experience in ensuring regulatory compliance in public, private, and military settings. Your Committee further notes that as Director of Pharmacy at Ho'ola Lahui Hawai'i - Kaua'i Community Health Center, this nominee has experienced providing care to Native Hawaiian and uninsured or underinsured patients. Your Committee finds that this nominee's experience providing access to medical care to historically underserved populations will be an asset to the Board. Your Committee finds that this nominee has been appointed based on his experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 1483 Education and Housing on H.C.R. No. 63**

The purpose of this measure is to urge the Governor to include Kukui Gardens in the State's list of shovel-ready projects submitted for inclusion in the President of the United States' proposed economic stimulus plan.

Testimony in support of this measure was submitted by one private organization and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that a number of concerned organizations have been working for three years to preserve the eight hundred fifty-seven affordable rental housing units in Kukui Gardens as affordable rental units, which would save an estimated 2,500 people from potential homelessness. Your Committee understands that a compromise was reached whereby the State of Hawaii purchased the land under forty-five per cent of the property and sold the improvements to the EAH, Devine & Gong Partnership, preserving three hundred eighty-nine of the units, referred to as Kukui Gardens Makai. The sale of the Makai improvements included a requirement to rehabilitate the property at an estimated cost of \$17,000,000, which was to be financed in part by the sale of state and federal low income housing tax credits. This work was to have commenced in the summer of 2008, but has been delayed due to the evaporation of the low income housing tax credit market.

Your Committee further finds that the building permits are in place and that work can begin as soon as funding is provided, meeting the "shovel-ready" definition for qualification of stimulus package funds.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 63, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 1484 Education and Housing on H.C.R. No. 89**

The purpose of this measure is to request that the Hookakoo Corporation:

- (1) Submit reports of its expanded learning time initiative and models that are or will be piloted by the Corporation's partner conversion charter schools;
- (2) Collaborate with the Department of Education on the development of plans to pilot expanded learning time models and a framework for providing technical assistance to schools; and
- (3) Submit progress reports to the 2010 and 2011 Legislature.

Testimony in support of this measure was submitted by five government agencies and two private organizations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the expanded learning time models detailed in this measure provide safe and structured learning environments for school age children during nonschool hours. In addition, these programs engage students in experiential, hands on learning projects, challenge students to delve deeply into core subjects, and allow students to participate in enrichment and remedial opportunities that can enhance their academic, personal, and social development.

Your Committee further finds that the Department of Education currently provides extended learning opportunities and that the preliminary impact data derived from the models for expanded learning time report will help the Department's efforts in further developing expanded learning time programs. The evaluation and technical assistance outlined in this measure can benefit both conversion charter schools and the Department's public schools.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 89, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 1485 Education and Housing on H.C.R. No. 94**

The purpose of this measure is to request the Auditor to:

- (1) Conduct a management and financial audit of the Hawaii Public Housing Authority's maintenance contracts and the management of those contracts and to investigate reports of disrepair, noncompliance with the Americans with Disabilities Act, and other concerns of residents, taking into account the newly implemented HUD Deficiency Report Checklist when reviewing the Hawaii Public Housing Authority;
- (2) Prioritize the audit efforts, focusing first on those contracts and facilities representing such characteristics as high contract dollar value, large volume of complaints, contract terms not strong enough to protect the State's interests, serious lack of internal controls, and any other screening approaches deemed appropriate by the Auditor; and
- (3) Report the findings and recommendations to the 2010 Legislature.

Testimony in support of this measure was submitted by one individual. One government agency testified in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee has deleted a substantive portion of this measure and replaced the deleted provisions with language from S.C.R. 31, S.D. 2, previously heard and approved by your Committee as S.C.R. No. 31, S.D. 1, and further amended by the Committee on Ways and Means as S.C.R. 31, S.D. 2.

As amended, this measure:

- (1) Amends the title to read: REQUESTING THE AUDITOR TO CONDUCT A REVIEW OF THE PERFORMANCE OF THE MANAGEMENT OF THE PUUWAI MOMI AND WEST OAHU ASSET MANAGEMENT PROJECTS (KNOWN AS AMP 30 AND AMP 44) TO COMPARE THE PERFORMANCE OF STATE OPERATED AND PRIVATELY OPERATED PUBLIC HOUSING PROPERTIES; AND TO DETERMINE THE RELATIVE CONTRIBUTIONS OF FUNDING LEVELS, MISMANAGEMENT, AND TENANT AND VISITOR ACTIONS TO THE FAILURE TO MEET PERFORMANCE STANDARDS FOR THESE PROPERTIES;
- (2) Adds Whereas clause language referencing current management procedures, the results of year 2008 inspections by the Department of Housing and Urban Development, and the status of maintenance at Palolo Housing and Kuhio Park Terrace;
- (3) Amends the scope of the audit as reflected in the amended title of the measure;
- (4) Adds to the scope of the audit, a request to the Auditor to undertake a broader review of the process by which the Authority currently evaluates management and maintenance contracts; and
- (5) Adds a request that the Auditor remain cognizant of the status of the federal and state class action law suits filed in December 2008.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 94, 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. 94, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 1486 Education and Housing on H.C.R. No. 282**

The purpose of this measure is to request the Hawaii Public Housing Authority to increase minimum monthly rents for state public housing to no less than \$250 with a yearly increase equal to the increases of the cost of living index.

Testimony in support of this measure was submitted by one government agency and one individual. One private organization submitted testimony in opposition. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this measure would provide incentives to the Hawaii Public Housing Authority to raise minimum monthly rents, while allowing the Authority to determine the timing for these increases in order to lessen the impact on current tenants, particularly those on fixed incomes.

As affirmed by the record of votes of the members of your Committee on Education and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 282, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Tsutsui, Hemmings).

**SCRep. 1487 (Joint) Higher Education and Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 60**

The purpose of this measure is to request the University of Hawaii at Manoa, College of Social Sciences, Public Policy Center and Spark M. Matsunaga Institute for Peace and Conflict Resolution to convene a working group to explore the safe use of hunting dogs on public hiking trails.

Testimony in support of this measure was submitted by The Humane Society of the United States, Hawaii Kai Neighborhood Board, Kailua Neighborhood Board No. 31, Oahu Society for the Prevention of Cruelty to Animals, Hawaii Dog Foundation, Citizens for Safe Hiking, Animal Rights Hawai'i, Ho'olaka Canine Specialists, and fourteen individuals. Testimony in opposition was submitted by the Department of Land and Natural Resources, University of Hawaii at Manoa College of Social Sciences Public Policy Center, University of Hawaii Spark M. Matsunaga Institute for Peace, Oahu Pig Hunters Association, and thirteen individuals. Two individuals submitted comments. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have heard considerable testimony both in support and opposition to this measure. While the perceptions of the problem are vastly different, your Committees agree that there are conflicts that require resolution.

Your Committees understand that the Department of Land and Natural Resources manages approximately two hundred seventy miles of public trails through Na Ala Hele and other programs, with guidance through island-wide trail advisory councils that conduct regular public meetings. Members of the advisory councils represent interested constituencies, including hikers, hunters, bicycle riders, equestrian riders, off-road motorized vehicle users, Hawaiian cultural representatives or practitioners, fishers, environmentalists, affected landowners, and other trail and access advocates. Your Committees are in agreement with the recommendation of the Department that the Na Ala Hele Advisory Council is the appropriate forum for the discussion of safe use of hunting dogs on trails that cross public hunting areas.

Your Committees have amended this measure accordingly, by:

- (1) Amending its title to read: REQUESTING THE NA ALA HELE ADVISORY COUNCIL TO CONVENE A SERIES OF DISCUSSIONS ON THE SAFE USE OF HUNTING DOGS ON TRAILS THAT CROSS PUBLIC HUNTING AREAS;
- (2) Deleting WHEREAS clause language related to aggressive hunting dogs, lost or injured hunting dogs, trail check-ins, and the need for and failure to address concerns;
- (3) Adding WHEREAS clause language related to the benefits provided by hunters and hunting dogs;
- (4) Amending the first BE IT RESOLVED clause to reflect the amended title;
- (5) Reducing in the working group the number of specific organizations to be included, and adding the Hawaii Rifle Association and other interested stakeholder groups;
- (6) Adding a report to the 2010 Legislature; and
- (7) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 60, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 60, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 8. Ayes with Reservations, 1 (Slom). Noes, none. Excused, 3 (Bunda, Takamine, Taniguchi).

**SCRep. 1488 (Joint) Health and Commerce and Consumer Protection on H.C.R. No. 97**

The purpose of this measure is to request that the Auditor, pursuant to section 26H-6, Hawaii Revised Statutes, perform an analysis of the proposed regulation of respiratory care practitioners, including the establishment of a board of respiratory care, as proposed in Senate Bill No. 1332, S.D. 2 (2009).

Your Committees received testimony in support of this measure from the Hawaii Society for Respiratory Care.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that this measure is necessary in order to enact legislation to regulate respiratory therapy. The licensure of respiratory therapists is important to the protection of public health and safety. Respiratory therapists serve a critical role in the health care delivery system. Your Committees further find that certain health professions need licensure to participate in federal programs.

Your Committees have amended this measure and its title by making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 97, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 97, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 4 (Ihara, Nishihara, Sakamoto, Hemmings).

**SCRep. 1489 (Joint) Human Services and Education and Housing on H.C.R. No. 246**

The purpose of this measure is to request the Department of Human Services to establish a task force to develop a policy against teen dating violence and abuse.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence and two individuals. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that patterns of dating violence behavior often start early and carry through into adult relationships. Additionally, violent relationships in adolescence can have serious ramifications for victims; many will continue to be abused in their adult relationships and are at a higher risk for substance abuse, eating disorders, risky sexual behavior, and suicide. A comparison of Intimate Partner Violence rates between adolescents and adults reveals that adolescents are at a higher risk of intimate partner abuse. Approximately one in five female high school students reports being physically or sexually abused by a dating partner. A majority of parents admit that they have not spoken to their child about dating violence. This measure will ensure that a model policy is adopted regarding teen dating violence and provide needed assistance to the Board of Education.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Education and Housing that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 246, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 246, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Ihara, Tsutsui).

**SCRep. 1490 Human Services on H.C.R. No. 157**

The purpose of this measure is to urge public and private agencies to encourage their parent clients to turn on closed captioning when their children watch television.

Testimony in support of this measure was submitted by one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that closed captioning has the ability to enhance vocabulary, reading speed, word association, and spelling. Your Committee understands that closed captioning is not accurate one hundred per cent of the time and certain style preferences used in closed captioning are different than those used in school writing classes, however, your Committee believes the merits outweigh these concerns. Adults can benefit from reading the closed captioning on television, as it helps a reader develop English skills and identify errors in spelling, which is a rapid brain problem solving skill. Television is becoming a large part of the family dynamic, and by using closed captioning the television can become a tool to help both adults and children improve their reading skills.

Your Committee has amended this measure by making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 157, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 157, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1491 (Joint) Human Services and Public Safety and Military Affairs on H.C.R. No. 135**

The purpose of this measure is to strongly support the concept of establishing a system of juvenile intake and assessment centers, as embodied by the proposed pilot Big Island Juvenile Intake and Assessment Center, throughout the State.

Testimony in support of this measure was submitted by the Department of Human Services Office of Youth Services, the Hawaii County Mayor, the Hawaii County Prosecuting Attorney and the Office of the Prosecuting Attorney, and one individual. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that law enforcement officers on the island of Hawaii are in need of a facility to house and hold juvenile offenders in a safe and secure manner that consequently allows the law enforcement officers to proceed with their patrol duties. In 2006 over 2,350 juveniles were arrested, and a survey of law enforcement officers found that officers have no good options when dealing with arrested juveniles who cannot be returned to their homes because of drug, alcohol, or mental health problems, or family issues. Existing programs are fragmented and may not accept disruptive juveniles or those who are under the influence of alcohol or drugs. The Big Island Juvenile Intake and Assessment Center would help law enforcement officers by providing a safe holding place for these juveniles. Various stakeholders and supporters of a Big Island Juvenile Intake and Assessment Center have already completed a thorough business plan that identifies the necessary startup and annual operating costs for the Center and are ready to move forward with a pilot program at a facility in Pahoehoe that can be implemented at less than a third of the cost of the comprehensive Big Island Juvenile Intake and Assessment Center initiative. Your Committees affirm their support of the initiative and actions taken by the stakeholders, and pledge future support of continued efforts to establish and develop a Big Island Juvenile Intake and Assessment Center and to consider implementation of similar projects statewide.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 135, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 135, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 4 (Bunda, English, Gabbard, Ihara).

**SCRep. 1492 Public Safety and Military Affairs on H.C.R. No. 298**

The purpose of this measure is to urge the United States President and Congress to enact legislation to expedite immigrant visas to reunite World War II Filipino veterans with their children.

Testimony in support of this measure was submitted by one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the World War II Filipino veterans who are currently residing in this State are aging and in need of the care and protection that can be afforded to them from their family members residing outside the United States. Your Committee also finds that the sacrifices made by the Filipino soldiers during World War II to protect and fight with the United States were heroic and that the passage of this measure will, to a certain extent, serve as a tribute and memorialize their efforts.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.



As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 298, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 298, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Galuteria, Hemmings).

**SCRep. 1493      Ways and Means on H.C.R. No. 76**

The purpose of this measure is to request the Governor not to address the 2009 fiscal year budget shortfall by reducing or restricting the Department of Education and the University of Hawaii's current appropriations.

Prior to the hearing, your Committee circulated a proposed draft of H.C.R. No. 76, H.D. 1, S.D. 1, which requests the Senate President and the Speaker of the House of Representatives to establish a task force on reinventing government to examine the current operations and organization of state government and to make recommendations to the Legislature prior to the Regular Session of 2010 on making state government more efficient.

Testimony in support of the proposed measure was submitted by the Chair of the Finance Committee of the House of Representatives and two private organizations. Testimony in support of the proposed measure, with comments or suggested amendments, was submitted by one state department and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that our State is in an economic crisis, as a result of the global financial and economic crisis. Although the Legislature has made efforts over the past two years to provide sustainable, responsible levels of funding and to anticipate and plan for such times as these, the State is nonetheless facing a \$1,760,000,000 budget shortfall for the balance of fiscal year 2008-2009 and the biennium budget period if corrective action is not taken.

Your Committee finds that, in these challenging times, a thorough and comprehensive review of the operations and organization of state government is in order and is in the best interest of the State, not only to address the present economic crisis, but also for the future.

Your Committee has amended this measure as received by replacing its contents with the contents of the proposed draft of H.C.R. 76, H.D. 1, S.D. 1, which was circulated prior to this hearing and amending its title to read:

“HOUSE CONCURRENT RESOLUTION REQUESTING THE GOVERNOR NOT TO ADDRESS THE 2009 FISCAL YEAR BUDGET SHORTFALL BY REDUCING OR RESTRICTING THE DEPARTMENT OF EDUCATION'S AND UNIVERSITY OF HAWAII'S CURRENT APPROPRIATIONS,”

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 76, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 5 (Chun Oakland, Fukunaga, Hee, Kokubun, Hemmings).

**SCRep. 1494      Commerce and Consumer Protection on H.C.R. No. 171**

The purpose of this measure is to request that the Auditor study the feasibility of removing amateur boxing from the jurisdiction of the State Boxing Commission.

Your Committee received testimony in support of this measure from two private citizens. Testimony in opposition to this measure was received from the State Boxing Commission and one private citizen. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that serious allegations have been made concerning the State Boxing Commission's alleged disregard for state law, state administrative rules, and the safety of both professional and amateur boxers. Although it is important to note that no formal proceedings or charges are currently pending against the Commission, because of the severity of the allegations against the Commission and the nature of the Commission's function as a regulatory body charged with providing safeguards to an inherently dangerous activity, an Auditor's investigation of the feasibility and desirability of removing amateur boxing from the Commission's jurisdiction is prudent. Your Committee notes that amateur boxing is a sport in which many participants are children, teenagers, and young adults. Your Committee finds that this measure should move forward in the interest of settling the numerous issues that have been raised regarding the oversight of amateur boxing in this State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 171, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Ayes with Reservations, 1 (Espero). Noes, none. Excused, 3 (Ihara, Sakamoto, Hemmings).

**SCRep. 1495      (Joint) Human Services and Health on H.C.R. No. 55**

The purpose of this measure is to request the Centers for Medicare & Medicaid Services to increase reimbursement to Hawaii providers.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Medicare and Medicaid reimbursements are established according to fee schedules, which are adjusted according to a set of geographic practice cost indices. However, the geographic practices cost indices for the State of Hawaii are determined based upon the

locality of Hawaii and Guam. By including Hawaii and Guam as a single locality, the indices may not accurately reflect the costs incurred by Hawaii doctors. Your Committees find that the Centers for Medicare & Medicaid Services, upon its next periodic review of the geographic cost indices, should consider establishing Hawaii as a locality separate from Guam.

Your Committees have amended this measure and its title by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 55, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 55, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 3 (Baker, Ihara, Nishihara).

**SCRep. 1496 Human Services on H.C.R. No. 37**

The purpose of this measure is to request religious and faith-based organizations to serve as safe havens for victims of domestic violence.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence and the Hawaii Family Forum and Hawaii Catholic Conference. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that victims of domestic violence often turn to their religious community for assistance, counseling, and referral services. The Hawaii State Coalition Against Domestic Violence is a private, not-for-profit statewide organization which coordinates domestic violence prevention and intervention services. Religious and faith-based organizations need to develop consistent and appropriate methods of addressing the prevention of domestic violence and providing "safe havens" for those trying to escape abusive relationships. In developing these methods, safety and the strengthening of families should be a priority.

Your Committee has amended this measure by expanding the purpose of the measure to include a working group of specified, interested stakeholders to develop appropriate ways to respond to the needs of victims of domestic violence, including providing safe havens.

Specifically, your Committee has amended the measure by:

- (1) Amending the title of the concurrent resolution to reflect the expansion of the purpose of the measure;
- (2) Including additional explanation paragraphs;
- (3) Specifying interested stakeholders including religious and faith-based organizations for the working group; and
- (4) Identifying additional stakeholders for the transmission of copies of the measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 37, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 1497 Energy and Environment on H.C.R. No. 266**

The purpose of this measure is to request the Department of Health, in consultation with the State Building Code Council and the counties, to develop a plan by which:

- (1) Section 342D-70, Hawaii Revised Statutes, and title 11, chapter 62, Hawaii Administrative Rules, may be given effect for residential premises not served by county wastewater systems, including review and approval by the Department of Health of plans for proposed gray water recycling systems;
- (2) The gray water provisions of the Uniform Plumbing Code may be made applicable to residential premises served by county wastewater systems; and
- (3) Designs proposing inclusion of gray water recycling systems in residential premises not served by county wastewater systems shall be routed by the appropriate county to the Department of Health for review as part of the process by which building permits are reviewed and approved.

Testimony in support of this measure was submitted by one private individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that, in certain areas of the State, there is a water shortage that could be alleviated by allowing gray water, such as water from sinks and showers, to be used for irrigation of gardens and lawns. Additionally, for areas not served by county wastewater systems, gray water use can greatly extend the useful life and capacity of septic systems. By reusing this resource, there are not only large energy and water savings, but also a reduction in the amount of wastewater that flows into our wastewater systems.

Your Committee notes, however, that the State Building Code Council has not yet adopted the State Building Code or the Uniform Plumbing Code, which incorporates gray water provisions. As such, the counties will not be required to adopt these provisions for at least two years, making it difficult for homeowners who wish to install gray water recycling systems for their homes.

Accordingly, your Committee has amended this measure by:

- (1) Reflecting the current status of the State Building Code adoption and resulting deadline for county implementation;
- (2) Clarifying the description of the process by which the State Building Code is adopted by the State Building Code Council and the counties;
- (3) Deleting the references to preemption and the request that the Department of Health develop a plan to institute the Uniform Plumbing Code, as such provisions may be premature at this time;
- (4) Urging the counties to consider adopting the Uniform Plumbing Code in the interim period until the counties are required to adopt the State Building Code;
- (5) Restructuring the measure to reflect an emphasis on developing a gray water recycling plan and on the county adoption of the gray water provisions of the Uniform Plumbing Code during the interim period; and
- (6) Making technical, nonsubstantive amendments for consistency, style, and accuracy purposes.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 266, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 266, S.D. 1.

Signed by the Majority Leader on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Green, Kokubun).

**SCRep. 1498 Health on H.C.R. No. 35**

The purpose of this measure is to request the Auditor to analyze a proposed measure calling for the regulation of home care agencies by the Department of Health.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that home care is a crucial component of the health care continuum. The need for home care is increasing along with Hawaii's aged and disabled population. Currently, home care agencies are not regulated or licensed in the State. Therefore, it is essential that home care case workers are adequately trained and ethically responsible to ensure the best quality care for the residents of Hawaii.

Your Committee has amended this measure by inserting the citation for the proposed House Bill No. 704, H.D. 1, S.D. 1 (2009), which calls for the regulation of home care agencies.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 35, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 35, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Hemmings).

**SCRep. 1499 Health on H.C.R. No. 51**

The purpose of this measure is to prevent and eradicate cervical cancer by requesting the Department of Health to increase educational efforts regarding cervical cancer screening and awareness by both men and all women.

Your Committee received testimony in support of the intent of this measure from the Department of Health. Testimony in support of this measure was received by Hawaii Medical Services Association and the American Cancer Society.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that all women should be educated on the importance of regular examinations that screen for early detection of cervical cancer. Though the federal Food and Drug Administration has approved the first vaccine that prevents cervical cancer and other diseases in females with an efficacy rate of ninety-five to one-hundred per cent, early detection remains the best prevention of cervical cancer for women who have not had the vaccine.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 51, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 51, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Baker, Hemmings).

**SCRep. 1500 Health on H.C.R. No. 215**

The purpose of this measure is to promote best practices in child birth by requesting the Department of Health to review and assess:

- (1) The criteria used by hospitals and physicians for indications for elective inductions or cesarean sections; and
- (2) The policies and procedures implemented by hospitals to reduce elective cesarean sections and induction of labor.

Your Committee received testimony in support of this measure from the March for Dimes and Healthy Mothers, Healthy Babies. Testimony in opposition to this measure was received by the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there has been a sharp increase in the number of induction and elective surgical births in the past ten years that have increased the rate of pre-term births.

Your Committee further finds that the Healthcare Association of Hawaii is a non-profit organization that represents Hawaii's health care providers and would serve as a valuable asset to the review and assessment process conducted by the Department of Health.

Your Committee has amended this measure by requesting the Department of Health to conduct the review and assessment in consultation with the Healthcare Association of Hawaii and accordingly requiring a certified copy of this measure to be transmitted to the Chief Executive Officer of the Healthcare Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 215, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 215, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Hemmings).

**SCRep. 1501 (Joint) Health and Economic Development and Technology on H.C.R. No. 148**

The purpose of this measure is to urge a state-led coordinated effort by the health care and technology communities to ensure that Hawaii is able to rapidly respond to and qualify for grant money offered in the American Recovery and Reinvestment Act of 2009 for Health Care Information Exchange technology.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Health Systems Corporation, and the Healthcare Association of Hawaii.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that obtaining federal funding for health care technology that includes the health information exchange is vital to the improvement of Hawaii's medical technology infrastructure. Hawaii's unique geographical location necessitates that cutting edge ideas and technologies are fostered to help overcome issues regarding access to medical care, especially for disadvantaged and disabled populations and those residing in rural areas.

Your Committees have amended this measure by:

- (1) Amending the title to read:

"URGING THE GOVERNOR TO DESIGNATE, AND ASSERTING THE LEGISLATURE'S ENDORSEMENT OF, THE HAWAII HEALTH INFORMATION EXCHANGE, INC. TO SERVE AS THE STATE'S QUALIFIED STATE-DESIGNATED ENTITY TO EFFECTIVELY COORDINATE HEALTH INFORMATION EXCHANGE TECHNOLOGY INITIATIVES TO ENSURE THAT HAWAII IS ABLE TO RAPIDLY RESPOND TO AND QUALIFY FOR FUNDING THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FOR HEALTH CARE INFORMATION EXCHANGE TECHNOLOGY";

- (2) Clarifying that the Hawaii Health Information Exchange, Inc., is a 501(c) non-profit organization recently formed by key stakeholders in the Hawaii health care community including representatives from various hospitals, health insurers, physician organizations, federal community health centers, and other health care providers;
- (3) Inserting language that states "the Hawaii Health Information Exchange, Inc. is dedicated to the formation and operation of a health information exchange system in the State of Hawaii, which would allow a secure and rapid exchange of medical information";
- (4) Inserting language that states "the Hawaii Health Information Exchange, Inc. is dedicated to making any changes necessary to ensure that federal requirements are met to qualify Hawaii for funding through the American Recovery and Reinvestment Act of 2009";
- (5) Inserting language that states "the Hawaii Health Information Exchange, Inc. has pledged to raise private funds that will match state funds for health information technology initiatives";
- (6) Clarifying that "the Legislature fully supports and endorses the designation of the Hawaii Health Information Exchange, Inc. as the qualified state-designated entity to effectively coordinate health information exchange technology initiatives in Hawaii";
- (7) Adding the Chief Executive Officer of Hawaii Pacific Health; the Chief Executive Officer of The Queen's Health Services; the Chief Executive Officer of Waianae Coast Comprehensive Family Services; and the President of Clinical Laboratories of Hawaii to the list of individuals to receive certified copies of this Concurrent Resolution; and
- (8) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Health and Economic Development and Technology that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 148, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 148, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ayes, 5. Noes, none. Excused, 4 (Fukunaga, Green, Hee, Hemmings).

**SCRep. 1502 Higher Education on Gov. Msg. Nos. 257, 259, 274, 526 and 527**

Recommending that the Senate advise and consent to the nominations of the following:

**CENTER FOR NURSING ADVISORY BOARD**

G.M. No. 257 JANE K. KADOHIRO DRPH, APRN, CDE, for a term to expire 6-30-2013;

G.M. No. 259 GARY R. KIENBAUM RN, for a term to expire 6-30-2013;

G.M. No. 274 ANA M. SILVA RN, CNA, BC, for a term to expire 6-30-2013;

G.M. No. 526 ALVIN GOO, for a term to expire 6-30-2013; and

G.M. No. 527 DENISE HOPKINS-CHADWICK, for a term to expire 6-30-2013.

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Center for Nursing Advisory Board.

Jane K. Kadohiro is an Assistant Professor at the University of Hawaii School of Nursing and Dental Hygiene, where she has been a faculty member since 1991, and has served in numerous capacities at the Department of Health in her thirty years as a nursing professional. Ms. Kadohiro holds Bachelor of Science and Master of Science degrees in Nursing and Master's and Doctorate degrees in Public Health from the University of Hawaii. She is a Registered Nurse, Advance Practice Registered Nurse, and Certified Diabetes Educator. Ms. Kadohiro is the recipient of many academic and professional honors, with an extensive list of publications and scholarly work. She is active in numerous and diverse professional and community organizations and is a reappointment to the Center for Nursing Advisory Board.

Your Committee received testimony in support of this nomination from one individual.

Gary R. Kienbaum is a Nurse Manager at Kaiser Foundation Hospital, where he has held nursing management and hospital operations positions since 2002. Prior to that, he was a Director and Clinical Information Specialist at Castle Medical Center from 1995-2002, and has been an independent consultant to the Hawaii Health Systems Corporation since 1999. Mr. Kienbaum is a graduate of the University of Alaska with a Bachelor of Science Nursing Major and holds a Master of Science in Nursing from the University of Phoenix, where he is also a faculty member. He is also a guest lecturer at the University of Hawaii at Manoa and Hawaii Pacific University. Mr. Kienbaum is active in numerous professional organizations and is a reappointment to the Center for Nursing Advisory Board.

Your Committee received testimony in support of this nomination from the Hawaii State Center for Nursing and Healthcare Association of Hawaii.

Ana M. Silva is Director of Education at Kona Community Hospital, where she has been employed since 1986. She has over thirty-five years experience in nursing and is licensed in both Hawaii and California. Ms. Silva holds a Bachelor of Science in Nursing with honors from the University of Hawaii at Manoa and an American Nurses Credentialing Center Certification in Nursing Administration. She is active in numerous professional and community organizations, including the American Nurses Association, Hawaii Nurses Association, Sigma Theta Tau, and served on the University of Hawaii at Hilo Baccalaureate Nursing Program Advisory Committee. Ms. Silva is fluent in Spanish and serves as an interpreter for Kona Community Hospital and the community at large. She is a reappointment to the Center for Nursing Advisory Board.

Your Committee received testimony in support of this nomination from the University of Hawaii at Hilo's Department of Nursing, Hawaii State Center for Nursing, Kona Community Hospital and two individuals.

Alvin Goo is Assistant Vice President and Manager at First Hawaiian Bank, a position he has held since 1983, where he is responsible for a branch bank with thirteen employees and assets of \$165,000,000. He is a graduate of the University of Hawaii, holds a Master's Degree in Chinese Language from the University of Hawaii/Taiwan Normal University, a Master's in Business Administration from Chaminda University, and Graduate Studies in Finance from the Pacific Coast Banking School. Mr. Goo is active in a wide range of professional and community activities, including the Chinese Chamber of Commerce, Rotary Club of Waikiki, and Koko Marina Advisory Board. He has also served as a board member of the Waipahu Business Association, the American Cancer Society, and the Hawaii Community Development Authority.

Your Committee received testimony in support of this nomination from the Oahu Region Hawaii Health Systems Corporation and Hawaii State Center for Nursing.

Denise Hopkins-Chadwick is Chief, Nursing Research Service, Pacific Medical Region, Tripler Army Medical Center, and has over twenty years of nursing, research, and medical management experience with the United States Army. She is a graduate of Indiana University of Pennsylvania with a Bachelor of Science in Nursing and holds a Master's of Nursing from the University of Washington and a Doctorate from Ohio State University, with numerous additional courses in military education. Ms. Hopkins-Chadwick is the recipient of many United States military awards and honors and is the author of an extensive list of publications and professional presentations. She is a Certified Instructor in ABLS, TNCC, PHTLS, and an AMEDD Center and School Faculty Identifier, and a member of Sigma Theta Tau and the Emergency Nurses Association.

Your Committee received testimony in support of this nomination from Tripler Army Medical Center.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for Ana M. Silva RN, CNA, BC and Alvin Goo:  
Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

Signed by the Chair on behalf of the Committee.

Record of votes for all other nominees:

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

**SCRep. 1503 Higher Education on Gov. Msg. Nos. 311 and 525**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 311 GUY P. ONTAL, for a term to expire 6-30-2013; and

G.M. No. 525 ROBERT D. DEWITZ, for a term to expire 6-30-2013.

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Guy P. Ontai and Robert D. Dewitz to have the necessary qualifications to be appointed to the Board of Directors of the Research Corporation of the University of Hawaii.

Guy P. Ontai is Co-founder, Chairman and Chief Executive Officer of Alaka'i Consulting and Engineering, Inc., which assists clients in research development, product employment, and marketing. Prior to founding his business, Mr. Ontai was Chief Military Technology Integration Officer for Homeland Security with the State of Hawaii Department of Defense, and has held executive positions with Pacific American Foundation and Pacific American Research Center, and taught physics at both the high school and college level for eleven years. He is a Retired United States Army Major, Corps of Engineers, and a former member of the State of Hawaii House of Representatives. Mr. Ontai is a graduate of the United States Naval Academy and holds a Masters of Physics degree from the Massachusetts Institute of Technology. He is active in numerous professional and community associations, including serving as Director of the Arizona Memorial Museum Association, as a member of the Native Hawaiian Chamber of Commerce, Central Oahu Lions Club, Small Business Hawaii, and Life Member of the United States Chess Federation. Mr. Ontai is a reappointment to the Board of Directors of the Research Corporation of the University of Hawaii.

Your Committee received testimony in support of this nomination from the Research Corporation of the University of Hawaii; Akimeka Technologies, LLC; and one individual.

Robert D. Dewitz is Chief Executive Officer and sole shareholder of Hawaii Select Investments, Inc., and wholly owned subsidiaries American Electric Co., LLC and CranePro Services, with investments in several Hawaii based advanced technology and medical research firms. He has also been a Managing Partner with Seattle Industrial Motor & Machine Company and with Pacific Defense Systems in San Diego, California, and has over thirty years of executive level experience in Hawaii and elsewhere. Mr. Dewitz is a former Director of the Hawaii Strategic Development Corporation and served as an Engineering Officer in the United States Navy. He is a graduate of the University of New Hampshire, holds a Masters of Business Administration from the University of Hawaii, and is currently enrolled in the Harvard Business School Executive Education Program. Mr. Dewitz serves as Director and Executive Committee Member of the USS Missouri Memorial Association, as a member and former Director of the Navy League of the United States, and a member and former Director of Outrigger Canoe Club. Mr. Dewitz is a new appointment to the Board of Directors of the Research Corporation of the University of Hawaii.

Your Committee received testimony in support of this nomination from the Research Corporation of the University of Hawaii; BAE Systems Ship Repair; the Estate of James Campbell; and four individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

**SCRep. 1504 Higher Education on Gov. Msg. No. 312**

Recommending that the Senate advise and consent to the nomination of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION (WICHE)

G.M. No. 312 ROBERTA M. RICHARDS, for a term to expire 6-30-2013.

Your Committee reviewed the personal history, resume, and statement submitted by the nominee, and finds Roberta M. Richards to have the necessary qualifications to be appointed to the Western Interstate Commission for Higher Education.

Your Committee received testimony in support of this nomination from the Western Interstate Commission on Higher Education. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Roberta M. Richards is currently in her third year as the Principal at Pauoa School and has been an educator in Hawaii for over forty years, including many teaching and administration positions with the Department of Education. Ms. Richards is a graduate of the University of Hawaii, with a Bachelor of Arts in Sociology and a Masters of Education in Educational Foundation. She holds professional certificates in Counseling and in Teaching the Disadvantaged. Ms. Richards is also active in community organizations and currently serves as a member of the Susannah Wesley Foundation, Reid Richards Foundation, and is a past member of the Manoa Boys Baseball Commission. She is a reappointment to the Western Interstate Commission for Higher Education.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

**SCRep. 1505 Human Services on Gov. Msg. No. 583**

Recommending that the Senate advise and consent to the nomination of the following:

EARLY LEARNING COUNCIL

G.M. No. 583 DEBORA ANN KAIKALA, for a term to expire 6-30-2011.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Debora Ann Kaikala to have the requisite qualifications to be nominated to the Early Learning Council.

Testimony in support of the nomination was submitted by the Department of Human Services. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Kaikala has received her Child Development Associate credentials, and worked as a family child care provider for more than ten years. She is presently employed as a family group child care home provider. Ms. Kaikala satisfies the requirement that a member represent family child care home providers. She serves on the Advisory Committee for the Department of Human Services, is the President of the Oahu Family Child Care Business Association, and has been a PATCH mentor.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, none.

**SCRep. 1506 Human Services on Gov. Msg. Nos. 523 and 524**

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 523 NORITA DE LIMA, for a term to expire 6-30-2012; and

G.M. No. 524 GRETCHEN LAWSON, for a term to expire 6-30-2012.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Norita De Lima and Gretchen Lawson to have the necessary qualifications to be nominated to the State Rehabilitation Council.

Testimony in support of the nomination of Norita De Lima was submitted by the Department of Human Services.

Ms. De Lima received her Clerical Certificate from Hawaii Community College and her Office Training Certification from Maui Community College. She presently serves as Chairperson for the Maui County Commission on Persons with Disabilities. Ms. De Lima satisfies the requirements that one member be a current or former recipient of vocational rehabilitation services and a representative of the County of Maui.

Ms. De Lima is an active volunteer in Maui County and participates in many of the community's rehabilitation programs that aid in the employment of persons with disabilities. She will provide both a community and personal perspective for the State Rehabilitation Council. Ms. De Lima is a Disability Advocate for Christ the King Church, Disability Awareness and Safety Officer for Robert's Transportation, Senior Volunteer at Hale Mahaolu, Volunteer Greeter at Maui County Information Center, and a Volunteer Clerk for Kaunoa Senior Center.

Testimony in support of the nomination of Gretchen Lawson was submitted by the Department of Labor and Industrial Relations and the Department of Human Services.

Ms. Lawson received her Bachelor's degree in Literature and Drama from the University of Washington, her Bachelor's degree in Speech and Communications with a teaching certificate from Western Washington University, and has completed graduate coursework in Education at Central Washington University. She is presently employed as the President and Chief Executive Officer of Arc of Kona/Kona Krafts. Ms. Lawson satisfies the requirements that one member be a representative of community rehabilitation program service providers and a representative of the County of Hawaii.

Ms. Lawson is a tireless educator for employers and the larger community on the virtues of hiring and retaining persons with disabilities, and an advocate for self-sufficiency. She has extensive experience writing proposals to fund education and vocational rehabilitation programs, including proposals involving the United States Department of Housing and Urban Development Section 8 Housing, Community Service Block Grants, the Job Training and Partnership Act, and Vocational Rehabilitation. Ms. Lawson has experience in management, budget analysis, and compliance standards for federal and state contracts. She is an experienced public speaker, and accomplished group facilitator. Her technical knowledge and ability to work with key stakeholders will make her an asset for the State Rehabilitation Council.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1507 Judiciary and Government Operations on Gov. Msg. Nos. 510, 511 and 512**

Recommending that the Senate advise and consent to the nominations of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

- G.M. No. 510 ANH BROW, for a term to expire 6-30-2013;  
G.M. No. 511 JENNIFER LANI LI, for a term to expire 6-30-2011; and  
G.M. No. 512 AZI TURTURICI, for a term to expire 6-30-2013.

Your Committee received testimony in support of Anh Brow from the Office of Language Access and two private entities.

Anh Brow received a Master of Business Administration degree in Financial Administration from the University of Maryland at College Park, Maryland, where she also earned a Bachelor of Science degree in Business Administration. She has been the Executive Vice President and Head of International Banking at the Bank of Hawaii since 2007. Prior thereto, the nominee held executive and management positions at American Savings Bank, International Bank of Asia, and Bankers Trust Company in Hong Kong. Ms. Brow has been a board member for several commerce trade organizations in Hawaii, as well as the Pacific and Asian Affairs Council.

Your Committee notes from the statement of the nominee that she has extensive international experience working for the U.S. State Department in Moscow, Beijing, and Hong Kong, prior to moving to Hawaii.

Your Committee received testimony in support of Jennifer L. Li from the Office of Language Access, two State Representatives, and several individuals.

Jennifer L. Li received a Master of Science degree from the London School of Economics and a Bachelor of Science degree from Georgetown University. She is currently employed by the Muscular Dystrophy Association. Ms. Li is active in community organizations. She also serves as an English as a Second Language reading tutor for Hawaii Literacy.

Your Committee received testimony in support of Azi Turturici from the Office of Language Access, Kauai County Mayor, one Kauai county agency, and one individual.

Azi Turturici was educated at the Universidad Nacional Autonoma de Nicaragua School of Economics. Since 1995, the nominee has been employed by the County of Kauai Agency on Elderly Affairs. Ms. Turturici is a member of several Kauai community organizations.

Your Committee believes that the nominees have the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Judiciary and Government Operations that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1508 Judiciary and Government Operations on Gov. Msg. No. 529**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKAI, LANAI, AND KAHO'OLAWA

- G.M. No. 529 SUSAN PIRSCH, for a term to expire 6-30-2013.

Your Committee received testimony in support of Susan Pirsch from the Office of Elections and two individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Susan Pirsch has been a school guidance counselor at Seabury Hall College Preparatory Academy since August, 2000. She was also the Associate Director of Development at Seabury Hall from October, 1999 to August, 2000. Prior thereto, Ms. Pirsch has held positions with UpCountry Youth Center, Inc., as Executive Director; Maui Community Mental Health Center; Maui Association for Retarded Citizens; Maui Youth and Family Services; Boston English Academy; and Sea Grant Extension Services. The nominee received a Bachelor of Art degree in Journalism with a minor in Japanese culture and language from the University of Hawaii, where she also received a Graduate Certificate in Public Health. She also received a Masters of Counseling in Marriage and Family Therapy from the University of Phoenix in Wailuku, Maui. Ms. Pirsch is a member of several community organizations on Maui, and served on the Hawaii State Commission on the Status of Women from 2003 to 2007.

Your Committee believes that the nominee has the appropriate attitude, commitment, sincerity, and dedication that is necessary for public service.



As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1509      Judiciary and Government Operations on Gov. Msg. Nos. 584 and 585**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 584    ADRIENNE S. KING, for a term to expire 6-30-2013; and

G.M. No. 585    CHERIE A. MOOY, for a term to expire 6-30-2010.

Your Committee received testimony in support of Adrienne S. King from the Hawaii State Commission on the Status of Women and several individuals.

Adrienne S. King received a Bachelor of Science degree from the University of Detroit Mercy, and a Juris Doctor degree from the University of Detroit Mercy Law School. She is a partner in the law firm of King & King, Attorneys at Law, focusing primarily on divorce, paternity, child custody, child support, temporary restraining orders, criminal defense, and personal injury cases. Ms. King has extensive experience as a trial lawyer in civil and criminal cases. Her resume reflects extensive membership in numerous community and professional organizations, as well as community volunteer work.

Your Committee received testimony in support of Cherie A. Mooy from the Hawaii State Commission on the Status of Women, Kauai Mayor, one Kauai government entity, and two individuals.

Cherie A. Mooy works for Kauai Community College as a Faculty Nursing Instructor, ADN Program, in clinical med-surgery, geriatrics, oncology, genetics, nutrition, and psychosocial nursing. Prior thereto, she held similar positions in California at San Jose State University and Cabrillo College, as well as several nursing positions at various California hospitals. Ms. Mooy received a Master of Science in Nursing degree from San Jose State University, a Bachelor of Science in Nursing degree from the University of the State of New York, and an Associate of Science in Nursing degree from Cabrillo College in California. She also received a Bachelor of Arts degree in Sociology from the University of California at Santa Cruz. Ms. Mooy belongs to numerous professional and community organizations, and is the Chair of the Kauai County Committee on the Status of Women.

Your Committee believes that the nominees have the appropriate attitude, commitment, sincerity, and dedication that are necessary for public service.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Judiciary and Government Operations that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Bunda).

**SCRep. 1510      Commerce and Consumer Protection on Gov. Msg. No. 262**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 262    SHELLI A. MCCELVEY, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nominee from the Department of Commerce and Consumer Affairs. A written statement and resume was received from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects is one of two landscape architects on the Board and, as such, represents a valuable perspective on the Board. Your Committee finds that this nominee frequently attends national meetings of landscape architects and brings that information back to the Board. However, your Committee also notes that this nominee has a sporadic attendance record at Board meetings and, despite living on Oahu, did not attend either of the hearings that your Committee scheduled to hear this nomination. Your Committee finds that this nominee's professional background and experience are valuable to the Board, but also finds that members' commitment and active participation is critical for the successful fulfillment of the Board's advisory and regulatory functions.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Ayes with Reservations, 4 (Baker, Espero, Green, Ige). Noes, none. Excused, 3 (Ihara, Sakamoto, Hemmings).

**SCRep. 1511      Economic Development and Technology on Gov. Msg. No. 288**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 288 JAMES S. GUEQUIERRE, for a term to expire 6-30-2013.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds James S. Guequierre to possess the requisite qualifications to be nominated to the Hawaii Historic Places Review Board.

Testimony in support of this nominee was submitted by the Department of Land and Natural Resources. Written testimony presented to the Committee may be reviewed on the Legislature's website.

James S. Guequierre has obtained over thirty years of experience primarily working as a principal interior designer, space planner, and managing director for some of the country's leading architectural firms. Some of the specific projects that Mr. Guequierre has worked on include corporate offices, financial institutions, legal offices, restaurants, clubs, dining establishments, and extreme environments.

Your Committee finds that the wide range of professional and personal experiences of James S. Guequierre will be an asset to the Hawaii Historic Places Review Board in the Board meeting its objectives and goals over the next few years.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1512 Economic Development and Technology on Gov. Msg. Nos. 292 and 421**

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 292 ALBERTA L. SANDERS, for a term to expire 6-30-2012.; and

G.M. No. 421 JACQUELINE L. ROSSETTI, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alberta L. Sanders and Jacqueline L. Rossetti to possess the requisite qualifications to be nominated to the King Kamehameha Celebration Commission.

Testimony in support of the nomination of Alberta L. Sanders was submitted by the Department of Accounting and General Services and three concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Alberta L. Sanders was born and raised in Hawaii and has immersed herself into the Hawaiian culture and heritage throughout her life. She has extensive experience working with the people of various communities and has helped to coordinate many community events and celebrations. Alberta L. Sanders' experiences while serving as the Vice President of the Ahahui Kaahumanu has sharpened her public speaking, project planning, and communication skills.

Your Committee finds that confirmation of Alberta L. Sanders to the King Kamehameha Celebration Commission will bring an enthusiastic individual who will perpetuate the Hawaiian culture and legacy of King Kamehameha.

Testimony in support of the nomination of Jacqueline L. Rossetti was submitted by the Department of Accounting and General Services and three concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Jacqueline L. Rossetti has an extensive background in the study and promotion of the Hawaiian culture and music. She has spent time working as a Hawaiiana consultant and educator, as well as promoting and coordinating various Hawaiian celebrations, recognition events, and music awards. Jacqueline L. Rossetti has made a career in the local broadcasting industry and co-founded the Na Hoku Hanohano Awards. Her willingness to work with people in the community on all matters pertaining to Hawaiian culture, heritage, and music has been unsurpassed.

Your Committee finds that Jacqueline L. Rossetti will be a tremendous asset to the King Kamehameha Celebration Commission in helping them achieve their goals by successfully carrying out each of the Commission's celebrations.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1513 Public Safety and Military Affairs on Gov. Msg. Nos. 363, 365 and 588**

Recommending that the Senate advise and consent to the nominations of the following:

WIRELESS ENHANCED 911 BOARD

G.M. No. 363 GOLDIE K. CROSS, for a term to expire 6-30-2010;

G.M. No. 365 JAMES D. LACLAIR, for a term to expire 6-30-2010; and

G.M. No. 588 ERIC KNUTZEN, for a term to expire 6-30-2012.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Goldie K. Cross, James D. LaClair, and Eric Knutzen to possess the requisite qualifications to be nominated to the Wireless Enhanced 911 Board.

Testimony in support of the nomination of Goldie K. Cross was submitted by one state agency, two private organizations, and five individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Goldie K. Cross has obtained over twenty-two years of experience working at various levels in the telecommunications industry. During that period she has obtained an extensive background on the emerging technologies that have shaped the telecommunications industry. During the past three years Goldie K. Cross has obtained detailed knowledge surrounding the needs of emergency 911 wireless calls in her position as E911 Sustainment and Network Sales Support Manager for AT&T Mobility.

Your Committee finds that Goldie K. Cross would be a valuable addition to the Wireless Enhanced 911 Board in assisting the Board with evaluating and recommending new equipment that would be needed to deliver emergency 911 calls to the Public Safety Answering Points in this State.

Testimony in support of the nomination of James D. LaClair was submitted by one state agency, one county agency, and one private organization. Written testimony presented to the Committee may be reviewed on the Legislature's website.

James D. LaClair has obtained over thirty years of experience in the telecommunications industry, including twenty years operating 911 networks in Hawaii, Oregon, and Washington. Most recently James D. LaClair has served as Vice President of Network Operations for Hawaiian Telcom. One of his primary duties in that position has been to provide direct responsibility over the operation and maintenance of Hawaii's emergency 911 infrastructure.

Your Committee finds that the prior knowledge and experiences gained by James D. LaClair while operating and managing 911 networks will serve as an invaluable source of information for the Wireless Enhanced 911 Board.

Testimony in support of the nomination of Eric Knutzen was submitted by one state agency, two county agencies, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

For the past six years Eric Knutzen has led IT/Communication projects for the County of Kauai. During that period Mr. Knutzen has also held the position of Deputy Director of Finance for the County of Kauai. Mr. Knutzen's efforts in reorganizing the IT Division and insourcing the work of the Division have resulted in a savings of over \$2,200,000 for the IT Division.

Your Committee finds that the broad-based IT/Communication experiences that Mr. Knutzen has gained while working in the telecommunications industry throughout the world will help to lead the Wireless Enhanced 911 Board as it proceeds toward implementing and operating emergency 911 services throughout the State.

As affirmed by the records of votes of the members of your Committee on Public Safety and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for Eric Knutzen:

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

Signed by the Chair on behalf of the Committee.

Record of votes for all other nominees:

Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 1514 Public Safety and Military Affairs on Gov. Msg. Nos. 364 and 366**

Recommending that the Senate advise and consent to the nominations of the following:

**CIVIL DEFENSE ADVISORY COUNCIL**

G.M. No. 364 CREIGHTON W. GOLDSMITH, for a term to expire 6-30-2013; and

G.M. No. 366 RANDY L. PROTHERO, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Creighton W. Goldsmith and Randy L. Prothero to possess the requisite qualifications to be nominated to the Civil Defense Advisory Council.

Testimony in support of the nomination of Creighton W. Goldsmith was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Creighton W. Goldsmith has obtained over thirty-eight years of experience as an inspector for United States Customs and Border Protection. During his years of service he has been responsible for both the seaports and airports in Honolulu. Mr. Goldsmith has also worked as an International Operations Officer in Laos, Thailand, Korea, the Philippines, Cyprus, Malaysia, Slovenia, Paraguay, and Russia. He has also worked closely in assisting President Clinton's administration as a Press Delegation Customs Officer and as an advisor to the military in support of Operation Enduring Freedom.

Your Committee finds that the reappointment of Creighton W. Goldsmith to the Civil Defense Advisory Council will continue to pay dividends for the Council as they work toward anticipating, preventing, and resolving all external threats to the State, whether created by nature or by man.

Testimony in support of the nomination of Randy L. Prothero was submitted by one state agency, one state representative, and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Randy L. Prothero has resided in Hawaii for almost thirty years and has been very active in the communities where he has lived and worked. Mr. Prothero currently serves on the Civil Defense Advisory Council and he is a tremendous asset to the Council by serving as the eyes and ears of the public. Mr. Prothero has also benefited the Council by relaying the Council's safety procedures and other critical information to the public when an emergency or other disaster has occurred in the State. Specifically, Mr. Prothero has often served as a voice for the communities where he lives and works in raising the various concerns of the public to the Council during an emergency or natural disaster.

Your Committee finds that Mr. Prothero's work as a Realtor throughout the State and his extensive volunteer and community service has enabled him to put a pulse on the public's concerns about potential catastrophic disasters or manmade attacks on our State.

As affirmed by the records of votes of the members of your Committee on Public Safety and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, English, Hemmings).

**SCRep. 1515      Transportation, International and Intergovernmental Affairs on H.C.R. No. 303**

The purpose of this measure is to support the Peace Corps Expansion Act of 2009.

Your Committee received testimony in support of this measure from ten individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee notes that since President John F. Kennedy established the Peace Corps, it has served in over 139 countries with more than 195,000 volunteers. Since that time, 1,274 volunteers from Hawaii have served in the Peace Corps. It is important to note that the majority of returned Peace Corps volunteers continue to provide services and play important roles as leaders in communities across the nation. Because of these volunteers' great dedication and hard work, over twenty countries have recently requested a Peace Corps program. Those countries with existing programs have expressed a welcome invitation to additional volunteers.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 303, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 1516      Transportation, International and Intergovernmental Affairs on H.C.R. No. 309**

The purpose of this measure is to denounce the violation of human rights in Tibet.

Your Committee received testimony in support of this measure from one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that Tibetans are regularly subjected to human rights abuses. These human rights abuses take many forms including disappearance, arbitrary arrest, torture, beatings, and solitary confinement. Tibetan women and children are also subject to mistreatment. They reportedly suffer from sexual abuse, violation of their reproductive rights, and discrimination in education by the Chinese government.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 309, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 1517      Health on Gov. Msg. Nos. 335 and 336**

Recommending that the Senate advise and consent to the nominations of the following:

**MENTAL HEALTH AND SUBSTANCE ABUSE, MAUI SERVICE AREA BOARD**

G.M. No. 335    KARIN E. PHANEUF, for a term to expire 6-30-2012; and

G.M. No. 336    SHERRY L. POPPE, for a term to expire 6-30-2012.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to mental health and substance abuse for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Mental Health and Substance Abuse, Maui Service Area Board to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Karin E. Phaneuf has over 20 years of experience in work-related vocational and life skills counseling, of which sixteen years were spent with employers located on the island of Maui. She has a Master's Degree in Technical Management. Currently, Ms. Phaneuf works with Arbor Education and Training assisting persons with mental or physical disabilities who receive welfare services, to obtain employment. Her community service includes membership in the Maui Homeless Alliance. Ms. Karin E. Phaneuf fulfills a provider representative position on the Board.

Ms. Sherry L. Poppe received her Bachelor's Degree from the Oregon Institute of Applied Technology in Applied Psychology and her Master's Degree from Cappella University in Human Services with a specialty in mental health. She worked with the Maui Assertive Community Treatment Team as a recovery manager. While living in Oregon, Ms. Poppe was employed by Klamath City Juvenile Detention Center and by Lutheran Community Services. Ms. Sherry L. Poppe fulfills a provider representative position on the Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1518 Health on Gov. Msg. Nos. 329 and 340**

Recommending that the Senate advise and consent to the nominations of the following:

**MENTAL HEALTH AND SUBSTANCE ABUSE, OAHU SERVICE AREA BOARD**

G.M. No. 329 THOMAS J. MCCORMACK, for a term to expire 6-30-2013; and

G.M. No. 340 LINDA H. SHEA, for a term to expire 6-30-2011.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to mental health and substance abuse for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Mental Health and Substance Abuse, Oahu Service Area Board to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted supporting the nomination of Thomas J. McCormack from two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Thomas McCormack has been a mental health advocate for many years. He served on the Oahu Service Area Board on Mental Health from 2000 to 2004, and is being recommended for a second term. Mr. McCormack's constituency relates to his active, ongoing membership in the Honolulu Clubhouse. Mr. McCormack received his Bachelor's degree from Boston University and the University of Massachusetts in 1977. He completed one year of graduate school at Brown University where he was nominated for the prestigious Untermyer Fellowship in Poetry. Mr. McCormack volunteered as a legislative advocate with the National Alliance for the Mentally Ill. Mr. Thomas McCormack fulfills a consumer representative position on the Board.

Ms. Linda H. Shea has been employed as a Mental Health Peer Specialist with Community Empowerment Services for the last two years. She has worked with the Department of Education's Parent -Community Networking Centers as a State and District Facilitator and Trainer and as a preschool teacher for Kama'aina Kids. Ms. Shea was mentioned in Governor Waihee's 1990 State of the Union address due to her work with latch-key children and the need to fund the "A Plus" program. She was also the first woman to hold the Office of President of Oxford Houses, Inc. for the Windward District in 1996. Ms. Linda H. Shea fulfills a consumer representative position on the Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1519 Health on Gov. Msg. No. 508**

Recommending that the Senate advise and consent to the nomination of the following:

**MENTAL HEALTH AND SUBSTANCE ABUSE, KAUA'I SERVICE AREA BOARD**

G.M. No. 508 SHEILA L. CALCAGNO, for a term to expire 6-30-2011.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to mental health and substance abuse for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on her credentials, integrity, and a desire to make Hawaii better through her participation on the Mental Health and Substance Abuse, Kaua'i Service Area Board to which she has been nominated.

Your Committee received testimony supporting the nomination of Sheila L. Calcagno from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Calcagno, a family representative, has lived in Hawaii for thirty-four years and has been a member of the Kauai community for the past fourteen years. She has been employed for the last eight years by the Community Health Outreach Work to Prevent AIDS Project (CHOW Project) as the sole project outreach worker on Kauai. In this role, she provides the community, particularly the homeless, with harm reduction philosophies and strategies to improve their health including the prevention of Human Immunodeficiency Virus, Acquired Immune Deficiency Syndrome, Hepatitis C and other blood borne pathogens among high risk drug users. Ms. Calcagno's life experiences are most relevant to the issues and concerns of the Kauai Service Area Board on Mental Health and Substance Abuse including membership in the National Alliance for the Mentally Ill (NAMI). She also has a certificate in Human Services from the University of Hawaii, Hilo, has a certificate for HAZMAT transportation, and has completed a four-year term on the Community Planning Board for HIV on Oahu.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1520 Health on Gov. Msg. No. 509**

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 509 JONATHAN T. HARRIS, for a term to expire 6-30-2011.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to mental health for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the State Council on Mental Health to which he has been nominated.

Your Committee received testimony supporting the nomination of Jonathan T. Harris from the Department of Health and the Department of Human Services.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Harris, a state agency representative, is being recommended by the Department of Human Services to serve as the federally-mandated Medicaid representative on the State Council on Mental Health. For the past year, Mr. Harris has been employed by the State of Hawaii, MedQUEST Division, Health Care Services Branch as a registered nurse consultant. Prior to this, Mr. Harris was employed by Kahi Mohala Behavioral Health Hospital. From 1996 to 2006, he worked in the Department of Health's Office of Health Care Assurance, participating in the licensure and assuring the quality of care of the State's Adult Residential Care Homes. Mr. Harris also served with the United States Naval Reserve from 1991-1999, completing his work with an Honorable Discharge. He has also served as a volunteer for the Hawaiian Humane Society.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1521 Health on Gov. Msg. Nos. 577 and 578**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF OPERATING PERSONNEL IN WASTEWATER TREATMENT PLANTS

G.M. No. 577 WESLEY L.K.M. LIM, for a term to expire 6-30-2012; and

G.M. No. 578 BRADLEY M. PIERCE, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to the certification of operating personnel for wastewater treatment plants for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Board of Certification of Operating Personnel in Wastewater Treatment Plants to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Board of Certification of Operating Personnel in Wastewater Treatment Plants and the Department of Health. Additional testimony was submitted supporting the nomination of Wesley L.K.M. Lim by one individual. Additional testimony was submitted supporting the nomination of Bradley M. Pierce by the County of Maui Department of Environmental Management, the County of Maui Department of Environmental Management Wastewater Reclamation Division Operations and Maintenance, and one individual.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. Lim is currently employed by the City and County of Honolulu as a Wastewater Treatment Plant Supervisor IV at the Kailua Wastewater Treatment Plant. He is also a certified Grade IV operator in good standing with the Board, and will be a welcomed addition to the fill the vacant Oahu position on the Board.

Mr. Pierce has been employed by the County of Maui as a Wastewater Treatment Plant Operator at the Kihei Wastewater Reclamation Facility since October 1997. Mr. Pierce has a Grade IV (highest level) Wastewater Treatment Plant Operator Certificate and is in good standing with the Board. He will be a welcomed addition to fill the Maui representative's position on the Board effective, July 1, 2009.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1522 Health on Gov. Msg. No. 582**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF HEALTH

G.M. No. 582 ROGER B. MCKEAGUE, for a term to expire 6-30-2013.

Upon review of the statement submitted by the nominee, your Committee finds that the aforementioned nominee will work with compassion and commitment to assist in administering the functions related to health for the people of Hawaii. Your Committee further finds that the nominee has been appointed based on his credentials, integrity, and a desire to make Hawaii better through his participation on the Board of Health to which he has been nominated.

Your Committee received testimony supporting the nomination of Roger B. McKeague from the Department of Health.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Mr. McKeague currently serves as the Chair of the Board of Health. He has extensive experience in both public administration and private business operations. He has been a member of the Hawaii State Bar Association since 1994. He currently works with the Hawaii Charter School Administrative Office. Mr. McKeague has been an active member of the Board since 2004 and brings issues relating to student health and education to the attention of the Department of Health.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1523 Health on Gov. Msg. Nos. 473 and 474**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 473 TRACY H. OKUBO, for a term to expire 6-30-2013; and

G.M. No. 474 SUSAN STALDER, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to health care planning for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Health Planning Council, Honolulu Subarea, to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted by the Hawaii Medical Association and six individuals supporting the nomination of Tracy H. Okubo, and by three individuals supporting the nomination of Susan Stalder.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Tracy H. Okubo currently works as a Researcher for the House Judiciary Committee. She has over ten years of experience in government, working in various capacities with the Legislature. She has worked closely with the Chair of the House Judiciary Committee this session on crafting public health policy regarding health information technology and exchange. Ms. Okubo is also a consumer, having been diagnosed with systemic lupus erythematosis and rheumatoid arthritis nearly fifteen years ago.

Susan Stalder is President of Stalder Communications. She has an excellent background in health care, serving as Director of Development at the D.C. Primary Care Association in Washington, D.C., Executive Director of Community HealthCare Center in Savannah, Georgia, and Director of Development at Parrish Medical Center in Titusville, Florida. She is active in our community and serves as a volunteer to the Marine Corps.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1524 Health on Gov. Msg. Nos. 503, 504, 506 and 507**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

- G.M. No. 503 BILLIE GABRIEL, for a term to expire 6-30-2013;  
 G.M. No. 504 LOUIS M. KEALOHA, for a term to expire 6-30-2013;  
 G.M. No. 506 MICHELE S. SCOFIELD, for a term to expire 6-30-2013; and  
 G.M. No. 507 STEVEN M. SHIRAKI, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to drug abuse and controlled substances for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Hawaii Advisory Commission on Drug Abuse and Controlled Substances to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted by eight individuals supporting the nomination of Billie Gabriel and two individuals supporting the nomination of Steven M. Shiraki.

Billie Gabriel is a self-employed consultant who is engaged in public relations, marketing, advertising, event planning, and fundraising. Her thirty-year career has also involved managing comprehensive development, media relations, brand imaging, sponsor recruitment, donor relations, and legislative lobbying. As Vice-President of Development with Easter Seals Hawaii between 1993 and 2007, she developed a comprehensive strategy, marketing, and media plan to create greater awareness of the organization and its programs and services. Between 1979 and 1992, Ms. Gabriel served as Director of Community Relations for Kapiolani Medical Center with responsibilities for managing fundraising events such as the Children's Miracle Network Telethon.

Louis M. Kealoha is a Captain with the Honolulu Police Department (HPD), Juvenile Services Division. He is currently on special assignment to the Narcotics Vice Division. Prior to his current assignment, Captain Kealoha's service with HPD has included: Patrol Officer, Field Training Officer, Patrol Sergeant, Training Sergeant, Recruit Class Supervisor, Training and Administrative Lieutenant, and Captain within the Criminal Investigation Division. In addition to his work with the Honolulu Police Department, Captain Kealoha is an Adjunct Professor and Lecturer in courses on criminal law, criminology and the criminal justice system at Chaminade University of Honolulu. He holds dual baccalaureate degrees (in human services and occupational education), a Master's of Science in Criminal Justice Administration, and a Doctor of Education degree.

Michele S. Scofield is a Practicum Instructor/Project Junior Specialist with the University of Hawaii at Manoa, School of Social Work, Pulama I Ke ala Social Work Master's Program Training Project. In addition to academic credentials in the field of social work, she is a licensed social worker and certified substance abuse counselor. Ms. Scofield's experiences in programs that address behavioral health include: classroom experience with special education students at Wheeler Elementary School, Nimitz Elementary School, Pearl Harbor Kai Elementary School, and Hickam Elementary School; public and consumer education with the Department of Health, Adult Mental Health Division and Mental Health Association; and clinical experience in the field of substance abuse at Hina Mauka.

Dr. Steven M. Shiraki is the Administrator/Educational Specialist with the Department of Education Student Support Section of the Office of Curriculum, Instruction and Student Support, Student Support Services Branch. He has an extensive academic and professional background in the field of education. His areas of specialization are special education and legal issues for administrators, supervision and teacher development, and curriculum/instructional leadership. He began his professional work with the Department of Education in 1993 as a Special Education Teacher at Kawanakoa Intermediate School and served as Vice Principal at various elementary schools before serving as a District and State Educational Specialist. Dr. Shiraki has taught college courses and has given numerous scholarly and professional presentations. Dr. Shiraki is jointly appointed (pursuant to Sections 329-2 and 334-10, Hawaii Revised Statutes) to the State Council on Mental Health, due to his extensive knowledge of the community and the relationships between mental health, mental illness and substance abuse.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1525 Health on Gov. Msg. Nos. 469, 470, 472 and 528**

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

- G.M. No. 469 JOHN J. BARNETT PHD, for a term to expire 6-30-2013;  
 G.M. No. 470 JILL B. MIYAMURA, for a term to expire 6-30-2012;  
 G.M. No. 472 REBECCA S. WARD, for a term to expire 6-30-2013; and  
 G.M. No. 528 ARTHUR Y. NISHIDA, for a term to expire 6-30-2013.



Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to health care for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Statewide Health Coordinating Council to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted by one individual supporting the nomination of John J. Barnett, by the Crime Victim Compensation Commission and one individual supporting the nomination of Rebecca S. Ward, and by four individuals supporting the nomination of Arthur Y. Nishida.

John J. Barnett, of Barnett Consulting Group, LLC, is a management consultant for organization and business change. His specialty is strategy development, implementation and restructuring of organizations. He recently worked with former Mayor of Hawaii County, Harry Kim, as a catalyst in convening the Hawaii Health Care Task Force to address county health issues and forward strategies. He is a Board Member of the Kona-Kohala Chamber of Commerce.

Jill B. Miyamura is Vice President of Hawaii Health Information Corporation which is responsible for the development of a statewide healthcare reporting system. She is a current member of the Program Planning Committee of the National Association of Health Data Organizations and continues to serve on various work groups with the Healthcare Cost and Utilization Project, Agency Healthcare Research and Quality, and the United States Department of Health and Human Services.

Rebecca S. Ward is President of Ward Research, Inc., a market research firm. Ward Research was recognized by the Pacific Business News as one of the Top 25 Women-Owned Businesses from 1999 to 2005. Ms. Ward currently serves on the Board of Directors of the Girl Scout Council of Hawaii as well as the Board of Directors of the Aloha Council of Boy Scouts. In addition, she is on the Board of Directors of the Chamber of Commerce of Hawaii, and she is a member of the American Association of Public Opinion Research.

Arthur Y. Nishida is a business agent with the State of Hawaii Organization of Police Officers since 2004. He has served as a Metropolitan Police Officer with the Honolulu Police Department. He started his career in the Police Department as a uniformed patrol officer, later worked in plainclothes capacity, and served as an investigator in the Department of the Prosecuting Attorney.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1526 Health on Gov. Msg. Nos. 493, 494, 495, 496, 497, 498 and 499**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 493 SARAH K. AHINA, for a term to expire 6-30-2012;
- G.M. No. 494 JOLAINE L. HAO, for a term to expire 6-30-2011;
- G.M. No. 495 LOUISE K. IWAISHI, for a term to expire 6-30-2012;
- G.M. No. 496 ANNIE L. KALAMA, for a term to expire 6-30-2010;
- G.M. No. 497 ANASTASIA L. KELLER-COLLINS, for a term to expire 6-30-2013;
- G.M. No. 498 JENNIFER V. PATRICIO ESQ., for a term to expire 6-30-2013; and
- G.M. No. 499 JOSEPHINE C. WOLL, for a term to expire 6-30-2011.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to developmental disabilities for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the State Council on Developmental Disabilities to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the State Council on Development Disabilities. Additional testimony was submitted by two individuals supporting the nomination of Sarah K. Ahina, by the Department of Human Services, Hilopa'a, and twelve individuals supporting the nomination of Jolaine L. Hao, by four individuals supporting the nomination of Louise K. Iwaishi, by four individuals supporting the nomination of Annie L. Kalama, by Hawaii Waiver Providers Association and four individuals supporting the nomination of Anastasia L. Keller-Collins, by the Hawaii Disabilities Rights Center and two individuals supporting the nomination of Jennifer V. Patricio, and by three individuals supporting the nomination of Josephine C. Woll.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

The Council's Federal mandate (P.L. 106-402) is clear in determining the composition of this body to ensure that all the players involved in the development, implementation, and use of developmental disability supports are represented. The law specifically requires that sixty per cent of the membership of the Council be comprised of individuals with a developmental disability, their parents, or family members. Additionally, the following agencies are required to be on the Council: Department of Health; the agencies that

administer funds provided under the Rehabilitation Act of 1973, the Individuals with Disabilities Education Act, the Older Americans Act of 1965, Titles V and XIX of the Social Security Act; the Protection and Advocacy Agency; the Centers for Excellence in Developmental Disability Education, Research, and Service; and agencies and private non-profit organizations concerned with services to individuals with developmental disability.

Sarah K. Ahina meets all the federal requirements for Council membership. She is an individual with a developmental disability who resides in Waianae. She participated in the Council-sponsored Partners in Policymaking (PIP) Leadership Academy. The PIP Academy is an innovative program for individuals with developmental disabilities and family members of individuals with developmental disabilities. The program is designed to provide information, training, resources and skills, which will develop productive partnerships between people who need and use services and those in the position to make policy and law.

Jolaine L. Hao meets all the federal requirements for Council membership. Ms. Hao is the acting Quality Assurance Section Administrator for the Department of Human Services, Med-QUEST Division (MQD). Her appointment to the Council would fulfill the federal requirement for a representative of Title XIX of the Social Security Act. Her present position with MQD and her involvement with the implementation of the Quest Expanded Access program (QExA) would provide a direct link to the Council's advocacy in assuring access to medical and dental care for individuals with developmental disabilities. Her background and experience in working with individuals with disabilities in a variety of settings, such as hospital, critical care, geriatric, and intermediate care facility/skilled nursing facilities would assist the Council in achieving its State Plan objectives to: (1) work to reduce health disparities among persons in Hawaii with developmental disabilities, and (2) provide people with developmental disabilities with the information necessary to make an informed choice of a Medicaid managed care health plan and have access to needed medical services through the QExA program.

Dr. Louise K. Iwashii is the part-time Medical Director of the Department of Health, Family Health Services Division (FHSD). Her appointment to the Council would fulfill the federal requirement for a representative of Title V of the Social Security Act. Dr. Iwashii's current position with FHSD and extensive background in pediatrics would assist the Council in its State Plan goal to provide family-centered, community-based, culturally-appropriate services and supports to all children with special needs. Her contributions to the Council's Health and Early Childhood area of emphasis committee would help the Council to achieve its objectives for the provision of appropriate early intervention services to infants and toddlers with special needs, and increase options for children with developmental disabilities who are medically fragile to live in a natural home environment rather than a medical facility.

Annie L. Kalama is an Educational Specialist with the Special Education Section of the Department of Education. Her appointment to the Council would fulfill the federal requirement for a representative of the Individuals with Disabilities Education Act (IDEA). Her experience in various positions in the special education field would provide the Council with valuable insight on how best to proceed to achieve quality education outcomes and school transitions that are meaningful and individualized consistent with the principles of self-determination. Her participation on the Council's Employment and Education area of emphasis committee would assist the committee to address resources and services to meet the requirements of IDEA.

Anastasia L. Keller-Collins is the Vice President of Program Development for Easter Seals Hawaii (ESH), a non-profit organization providing services to individuals with disabilities. Her appointment to the Council would fulfill the federal requirement for a representative of agencies and private non-profit organizations. Ms. Keller-Collins' experience in overseeing the Home and Community-Based Services Medicaid Waiver program for ESH would assist the Council in its activities to maximize federal funds and resources, and to assure that adequate and appropriate services and supports are provided through the waiver program. She will represent the private provider sector well on the Council through her active involvement with the Hawaii Waiver Providers Association. Her role on the Council would increase its efforts to collaborate with service providers to address the Council's community supports goal that "people with developmental disability will have a comprehensive system of supports and services that promote self-determination, independence, productivity, integration, and inclusion in all facets of community life, and have the opportunity to live the life they desire."

Jennifer V. Patricio is a staff attorney at the Hawaii Disability Rights Center. Her appointment to the Council would fulfill the federal requirement for a representative of the State protection and advocacy system. As a representative of the protection and advocacy system, Ms. Patricio would provide the Council with a legal perspective in its activities to promote and advocate for accessible services for individuals with developmental disabilities. She has been attending Council meetings and the Council's Health and Early Childhood area of emphasis committee meetings. Her participation on the Committee would greatly assist the Council in its initiatives to reduce health disparities among people with developmental disabilities, and to increase the number of individuals to access preventive and restorative dental care services.

Josephine C. Woll is a parent of a young woman with a disability. Her appointment to the Council would fulfill the federal requirement of a parent serving on the Council. Mrs. Woll's professional background as a Registered Nurse and extensive work experience in early intervention services as past Director of Sultan Easter Seal School would be a great asset for the Council in the area of early childhood. She would be able to help the Council advocate for increasing access and utilization of early periodic screening, diagnosis and treatment of children with special needs. As a parent, she was instrumental in starting a national organization called Family Voices that became the voice for health care reform for children with special health care needs. With her past involvement and leadership with Family Voices, the Council would benefit through Mrs. Woll's participation on its Health and Early Childhood area of emphasis committee in assisting with activities to advocate for appropriate early intervention services to all infants and toddlers with developmental disabilities or at risk for a developmental disability.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1527 Health on Gov. Msg. Nos. 500, 501 and 502**

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 500 BARBARA P. FISCHLOWITZ-LEONG, for a term to expire 6-30-2013;

G.M. No. 501 LYNN K. MURAKAMI-AKATSUKA, for a term to expire 6-30-2010; and

G.M. No. 502 ANTHONY A. RIECKE-GONZALES, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to disability and communication access for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Disability and Communication Access Board to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Disability and Communication Access Board. Additional testimony in support of the confirmation of Barbara P. Fischlowitz-Leong was submitted by one individual and in support of the nomination of Anthony A. Riecke-Gonzales by one individual. Additional testimony was submitted by the Department of Health, the Community Children's Council of Hawaii, and three individuals supporting the nomination of Lynn K. Murakami-Akatsuka.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Barbara P. Fischlowitz-Leong is being appointed in the capacity of a professional, who is also a person with a disability. She is presently the Executive Director of the Assistive Technology Resource Centers of Hawaii, an organization which assists individuals with disabilities in obtaining assistive technology, a position she has held for fifteen years. Ms. Fischlowitz-Leong also has experience as a planner in the field of developmental disabilities and as the former Executive Director of the Epilepsy Foundation to bring to the Board. Ms. Fischlowitz-Leong brings to the Board a tremendous amount of professional expertise to complement her personal perspective.

Lynn K. Murakami-Akatsuka is being appointed in her capacity as a family member of a sibling with an intellectual disability. She has extensive knowledge of the health issues facing individuals with disabilities and has a long career in the health care field. She presently is with the Department of Health's Developmental Disabilities Division. She has also worked with the Board as a member of the Interagency Working Group on Emergency Preparedness, which updates and amends existing goals and objectives in the "Interagency Action Plan for the Emergency Preparedness of People with Disabilities and Special Needs."

Anthony A. Riecke-Gonzales is being appointed as a representative from the County of Maui and in his capacity as a professional architect in the State of Hawaii with a private architectural firm. The Board has responsibility, under section 103-50, Hawaii Revised Statutes, to review all plans and specifications for the construction of state and county buildings, facilities, and sites to ensure physical access for persons with disabilities. Mr. Riecke-Gonzales' architectural expertise will be valuable in setting policies, guidelines, and interpretive opinions.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Nishihara, Hemmings).

**SCRep. 1528 Health on Gov. Msg. Nos. 316 and 327**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 316 STEPHEN KALANI BRADY, for a term to expire 6-30-2013; and

G.M. No. 327 DARIN H. KAWAZOE, for a term to expire 6-30-2013.

Upon review of the statements submitted by the nominees, your Committee finds that the aforementioned nominees will work with compassion and commitment to assist in administering the functions related to drug abuse and controlled substances for the people of Hawaii. Your Committee further finds that the nominees have been appointed based on their credentials, integrity, and a desire to make Hawaii better through their participation on the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances to which they have been nominated.

Your Committee received testimony supporting the nomination of each of these individuals from the Department of Health. Additional testimony was submitted supporting the nomination of Dr. Stephen Kalani Brady from Representative from the 19th House District.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Stephen Kalani Brady was first appointed to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances on July 1, 2007. He is board certified in internal medicine and is a fellow of the American College of Physicians. In 2003, he was appointed vice chairman of the Department of Native Hawaiian Health at the University of Hawaii, John A. Burns School of Medicine, where he serves as associate professor. Dr. Brady represents the medical segment of the community.

Darin H. Kawazoe was first appointed to the Hawai'i Advisory Commission on Drug Abuse and Controlled Substances on July 1, 2007. He heads a consultant firm which designs and develops community-based programs for organizations. His work focuses on education, health, prevention, culturally-relevant and criminal justice-appropriate treatment services. Mr. Kawazoe is a Certified Substance Abuse Counselor who has extensive experience in the field of substance abuse treatment. He served as the Program Director for the State's first Drug Court and as the coordinator for the Hawaii Drug Control Strategy Summit convened in 2003. Mr. Kawazoe represents the community and business affairs segment of the community.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1529 Human Services on Gov. Msg. No. 303**

Recommending that the Senate advise and consent to the nomination of the following:

STATEWIDE COUNCIL ON INDEPENDENT LIVING

G.M. No. 303 LAURA L. TOBOSA, for a term to expire 6-30-2011.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, and finds Laura L. Tobosa to have the requisite qualifications to be nominated to the Statewide Council on Independent Living.

Testimony in support of the nomination of Laura L. Tobosa was submitted by the Department of Human Services. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Ms. Tobosa has worked with the Hawaii Centers for Independent Living for seventeen years. She is a member of the Hawaii County Mayor's Committee on People with Disabilities, Disability Rights Hawaii, and the Partners in Community Living Advisory Committee. Ms. Tobosa satisfies the requirement that a member represent Hawaii County.

Ms. Tobosa is an advocate for disability issues, and a mentor for people with disabilities. She is aware of the issues from the national to the individual level. Ms. Tobosa's extensive experience with grant writing, budgets, program implementation, and monitoring and compliance of contracts is an asset. Ms. Tobosa founded the Youth Support Group which provides opportunities for young adults with disabilities to participate in after-school activities. She has led several local organizations focused on disability issues and has demonstrated her ability to work well with diverse groups.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1530 Human Services on Gov. Msg. No. 552**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON FATHERHOOD

G.M. No. 552 CLAUD ROBERT SUTCLIFFE, for a term to expire 6-30-2011.

Your Committee has reviewed the personal history, resume, and statements submitted by the nominee, and finds Claud Robert Sutcliffe to have the requisite qualifications to be nominated to the Commission on Fatherhood.

Testimony in support of the nomination was submitted by the Department of Human Services, the State Commission on Fatherhood, and four individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Mr. Sutcliffe received his Bachelor's degree in International Relations from Pomona College and his Master's degree and Doctor of Philosophy in Politics and Near Eastern Studies from Princeton University. He is presently employed as the Executive Director of the Mediation Center of Molokai. Mr. Sutcliffe satisfies the requirement that a member represent Maui County.

The Mediation Center of Molokai has developed the most comprehensive program of domestic violence prevention education in the State, and Mr. Sutcliffe teaches several classes and workshops for children and adults. As the coordinator of the Molokai Fathering Initiative, he has worked with high-risk fathers both in support groups and one-on-one mentoring. Mr. Sutcliffe is a father of four adult children and is committed to being the best father he can be. He is a skilled mediator, who can quickly find solutions to issues and defuse tense situations with humor. He is actively involved in the community, as Secretary of Molokai Habitat for Humanity, a leader of Molokai Occupational Center, Secretary of Molokai Affordable Homes, and a member of Hui Hoopakele Aina. Mr. Sutcliffe's experience as a mediator, teacher, and grant writer will be an asset to the Commission on Fatherhood.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1531 (Joint) Human Services and Commerce and Consumer Protection on H.C.R. No. 16**

The purpose of this measure is to encourage state and county action to stimulate individual savings and development of credit and to formulate an inventory of banking services available to low-income persons and those with no credit history in the State.

Testimony in support of this measure was submitted by the Hawaii Credit Union League and Visa, Inc. The Hawaii Bankers Association supported the intent of the measure. Written testimony presented to your Committees may be reviewed on the Legislature's website.

In the United States, forty million households are financially underserved, comprising about twenty-eight million unbanked individuals and almost forty-five million underbanked individuals. Underbanked individuals refers to persons who have limited access to banking services and rely upon alternative financial services, which are generally targeted at low-income persons such as check cashing or payday advance services, pawnbrokers, and even loan sharks. Unbanked persons are those who do not have a bank account, and have no access to banking services. Underbanked and unbanked persons are generally low-income individuals or families, female-headed households, young adults, senior citizens and the elderly, those who live in rural communities, and immigrants. Your Committees find that banked persons have the tools to save money, build assets, and make significant financial decisions regarding education, homeownership, health care, self-employment, and retirement. The State and the counties are encouraged to take action to increase the banked population of Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 16, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Ihara, Sakamoto).

**SCRep. 1532 (Joint) Human Services and Health on H.C.R. No. 34**

The purpose of this measure is to request Congress to raise the Medicare fee schedule payment amounts for physicians rendering services in Hawaii.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs and the Hawaii Medical Service Association. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Medicare and Medicaid reimbursements are established according to fee schedules, which are adjusted according to a set of geographic practice cost indices. The geographic practice cost indices are set administratively by the Centers for Medicare & Medicaid Services. However, in 2004 and 2005, Congress intervened and enacted legislation that set the geographic practice cost indices for Alaska at a higher rate. Your Committees find that the reimbursement amounts that Hawaii physicians receive do not accurately reflect the costs, and Congress is requested to enact legislation to increase the geographic practice cost indices for Hawaii.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 34, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 5. Noes, none. Excused, 3 (Baker, Ihara, Nishihara).

**SCRep. 1533 Human Services on H.C.R. No. 4**

The purpose of this measure is to designate the first week in February as Hawaii Teen Dating Violence Awareness and Prevention Week.

Testimony in support of this measure was submitted by the Hawaii State Coalition Against Domestic Violence and one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that one in three teenagers report knowing a friend or peer who has been hit, punched, kicked, slapped, choked, or physically hurt by their intimate partner. Your Committee further finds that women between the ages of sixteen and twenty-four experience the highest per capita rates of domestic violence. Becoming a teenager should be an exciting time of intellectual and emotional growth, and yet instead teenagers may experience violence at the hands of their partner. Through education and community discussion, our youth may have the opportunity to break the silence surrounding this issue.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 4, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, none.

**SCRep. 1534 (Joint) Health and Commerce and Consumer Protection on H.C.R. No. 109**

The purpose of this measure is to request the Auditor to assess the social and financial effects of requiring health insurance coverage for colonoscopy colorectal cancer screening.

Your Committees received testimony in support of this measure from the American Physical Therapy Association Hawaii Chapter and the American Cancer Society.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that although colorectal cancer is the second leading cause of cancer deaths in the United States, it is also one of the most treatable forms of cancer when diagnosed early through available diagnostic techniques such as colonoscopy. Your Committees find that colonoscopy is considered a safe and highly effective diagnostic technique that studies have shown to be more

accurate and less invasive than other forms of screening. Your Committees further find that the cost of colonoscopy is far lower than the cost of treatment for colorectal cancer.

Your Committees note that while section 23-51, Hawaii Revised Statutes, requires an assessment by the Auditor of the social and financial effects of proposed coverage before insurance coverage of specific diseases or health services may be mandated, the Legislature retains the right to enact laws to protect the general health, safety, and welfare of the State and its residents.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 109, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Ayes, 4. Noes, none. Excused, 4 (Ihara, Nishihara, Sakamoto, Hemmings).

**SCRep. 1535 Health on H.C.R. No. 214**

The purpose of this measure is to request that federal funding be provided to the Centers for Disease Control and Prevention to establish a Chronic Obstructive Pulmonary Disease program.

Your Committee received testimony in support of this measure from the Hawaii Chronic Obstructive Pulmonary Disease Coalition.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appropriate funding for the establishment of a national chronic obstructive pulmonary disease program will enable information on the potentially debilitating disease to be centralized and coordinated, leading to better sharing of key information and more research and funding for better and effective treatments.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 214, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 2 (Baker, Hemmings).

**SCRep. 1536 Higher Education on H.C.R. No. 217**

The purpose of this measure is to request the University of Hawaii Board of Regents to:

- (1) Develop plans for a scholarship program for Hawaii residents to study abroad; and
- (2) Submit a report on its progress to the 2010 Legislature.

Testimony in support of this measure was submitted by twenty individuals. Comments were provided by the University of Hawaii System. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that study abroad programs give students the opportunity to gain both academically and culturally, bringing an additional dimension to learning. The costs, however, are often prohibitive for students and their families, particularly those students who depend on financial aid for college expenses.

Your Committee has heard the concerns raised by the University, but believes that the request to develop plans for a scholarship program for Hawaii residents to study abroad is encompassing enough that the issues may be included, if not addressed completely, during the planning process. Should the Board of Regents determine that the plans would require additional funds or other legislation in order to implement, these requests may be included in the report to the 2010 Legislature.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 217, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Sakamoto, Takamine).

**SCRep. 1537 Transportation, International and Intergovernmental Affairs on H.C.R. No. 158**

The purpose of this measure is to strongly urge:

- (1) The United States Department of the Interior and the Congress of the United States to provide additional federal aid to the State of Hawai'i for the provision of various state services to migrants resulting from the Compacts of Free Association;
- (2) The United States Department of the Interior, Office of Insular Affairs, to review the funding of the Compacts Impact Assistance grant and to make every effort to increase the amount of direct assistance available to the State of Hawai'i to offset costs incurred by the State;
- (3) The United States Congress to support federal legislation to amend the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to allow the Compacts of Free Association migrants to once again receive federally funded financial and medical assistance; and
- (4) The United States Department of the Interior to identify and secure other forms of direct assistance to the State and the Compacts of Free Association population in the United States, including grants from other sources and federal programs.

Your Committee received testimony in support of this measure from the Superintendent of Education and the Hawaii Government Employees Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that migrants from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, are allowed to enter the State of Hawai'i under the Compacts of Free Association. Many state agencies provide a broad range

of health and social services to migrants from the Compact of Free Association nations who have moved to Hawai'i. The cost to the State of providing these services continues to increase each year.

The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 prevents needy persons from the Compact of Free Association nations from receiving federally funded financial and medical assistance. When that law went into effect in 1997, Hawai'i continued to provide equivalent services for the Compacts of Free Association migrants using state funds.

The federal government must address the issue of additional federal support for the State to continue providing state services arising from the unique federally-created relationship the United States has with the Compact of Free Association nations.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 158, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 1538 Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 96**

The purpose of this measure is to request the Department of Land and Natural Resources, Division of Conservation and Resources Enforcement (DOCARE), to provide limited enforcement services at night on a regular basis and to continue providing enforcement services on weekends and holidays at Kaneohe Bay.

Testimony in support of this measure was submitted by one organization. One state agency submitted comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Kaneohe Bay is enjoyed by many island residents and visitors, scores of boaters launch from Heeia Kea pier to fish or party on Ahu o Laka during the holidays and weekends. In the past, partying by boaters on Ahu o Laka has resulted in confrontations between boaters due to intoxication, an abundance of debris left behind, and other incidents involving snorkelers and scuba divers. Your Committee finds that DOCARE may be planning to suspend enforcement services on the weekends and holidays as a cost-cutting measure during the present economic conditions. However, continued enforcement services are requested to ensure the safety of bay users and proper enforcement of natural resource laws and rules.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Tokuda).

**SCRep. 1539 Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 250**

The purpose of this measure is to request the Department of Land and Natural Resources (DLNR) to review all boards, commissions, councils, committees, working groups, and task forces to determine which of these can be eliminated.

One state agency submitted comments on this measure. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that DLNR is responsible for managing one hundred fifty-eight boards, commissions, councils, committees, working groups, and task forces, of which sixty-five are mandated by statute, fourteen are mandated by federal regulations, and seventy-nine are mandated by DLNR. The staff of the various divisions responsible for one-third of DLNR's boards, commissions, councils, committees, working groups, and task forces with the lowest priorities expends approximately 2,800 man-hours annually preparing for meetings, attending meetings, and otherwise providing assistance. During this time of economic uncertainty, when DLNR is eliminating programs and positions to cut costs, it is important to systematically review the functionality and effectiveness of the boards, commissions, councils, committees, working groups, and task forces under DLNR's purview.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 250, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Tokuda).

**SCRep. 1540 Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 251**

The purpose of this measure is to urge the Department of Land and Natural Resources, Division of Aquatic Resources, to consult and confer with licensed specialized fishing practitioners prior to implementing revised or new regulations affecting styles of nearshore commercial fishing and to seek advice from and work collaboratively with them on any and all future regulations relating to commercial fishing.

Testimony in support of this measure was submitted by one organization and one public citizen. Testimony in opposition was submitted by one state agency. Written testimony presented to your Committee may be reviewed on the Legislature's website.

The residents of Hawaii rely upon the ocean for sustenance, health, and cultural practices. Specialized cultural practitioners with intrinsic and learned knowledge passed down through numerous techniques of fishing, including surround bag or gill net fishing, fish trapping, and aqua lung and free dive spear fishing, continue to demonstrate responsible use of and caring for the bounties of the ocean by studying, nurturing, cultivating, and managing these resources on a daily basis for perpetual use. Your Committee finds that these cultural practitioners are a consistent source of data to record, interpret and analyze, and use as the best-available science in determining the condition of Hawaii's ocean resources. Cultural practitioners are experts of their trade and providers to our

communities, and depend on fair management of ocean resources for their livelihood and perpetuation, thus they should be consulted when adopting new fishing rules.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 251, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Tokuda).

**SCRep. 1541 Water, Land, Agriculture and Hawaiian Affairs on H.C.R. No. 113**

The purpose of this measure is to request the Department of Agriculture to consult with other public and private entities to develop a plan to optimize the use of the Kamuela Vacuum Cooling Plant.

Testimony in support of the measure was submitted by two public citizens. One state agency submitted comments. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Hawaii imports eighty-five per cent of its food, at an estimated cost of \$4,500,000,000 annually, however, Hawaii farmers face formidable challenges in competing with mainland and foreign farmers. Agricultural facilities such as vacuum cooling plants, slaughterhouses, processing facilities, experimental stations, marshalling yards, and agricultural research laboratories are critical to ensuring the viability of Hawaii's agricultural industry. The Kamuela Vacuum Cooling Plant on the island of Hawaii is operated by the Kamuela Farmers Cooperative, which consists of sixty members, and processes approximately seven million pounds of produce annually, while also providing storage and limited processing services. However, the Kamuela Vacuum Cooling Plant is nearly thirty years old and has sustained severe wind damage that led to its roof being repaired in 2008 and the Plant's maintenance program is crippled by energy costs. Your Committee finds that a comprehensive plan is needed to ensure that the Kamuela Vacuum Cooling Plant is used in the most efficient and effective manner possible to support Hawaii's agricultural industry.

As affirmed by the record of votes of the members of your Committee on Water, Land, Agriculture, and Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 113, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Tokuda).

**SCRep. 1542 Economic Development and Technology on Gov. Msg. Nos. 287, 519, 520 and 521**

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

- G.M. No. 287 TERILYNNE F. GORMAN, for a term to expire 6-30-2012;
- G.M. No. 519 LEONARD K. CHOW, for a term to expire 6-30-2013;
- G.M. No. 520 JAMES C. JENNINGS, for a term to expire 6-30-2013; and
- G.M. No. 521 SHERYL B. SEAMAN AIA, ASID, LEED AP, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Terilynne F. Gorman, Leonard K. Chow, James C. Jennings, and Sheryl B. Seaman to possess the requisite qualifications to be nominated to the State Foundation on Culture and the Arts Commission.

With the unprecedented tax revenue decreases in fiscal years 2009, 2010, and 2011, your Committee has questioned each of the nominees carefully to ensure each nominee's awareness of the conditions that currently face the State Foundation on Culture and the Arts. At a time when grants to performing arts, literary, and visual arts organizations are almost down to zero, each of the Commissioners will need to play a vital role in structuring a plan of action to develop new revenue sources, international alliances, and new public and private partnerships that will help Hawaii's culture and arts community weather the economic downturn projected over this biennium. Fortunately, a number of the Commission nominees possess considerable experience in developing multinational business, arts and culture, and education initiatives. Your Committee looks forward to examining the 2010 agenda for the State Foundation on Culture and the Arts as the new Commissioners begin their service on the State Foundation on Culture and the Arts Commission.

Testimony in support of the nomination of Terilynne F. Gorman was submitted by the Mayor of Maui County, the Hawaii Association of Independent Schools, Maui Arts and Cultural Center, Broward Center for the Performing Arts, Brazil Ministry of Culture, and one concerned individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Terilynne F. Gorman has obtained an extensive array of experiences in the area of culture and the arts. Specifically, she has served as the Director of Marketing for performing art complexes in Maui and New Zealand for six years and as the Vice President of External Affairs for the Broward Center for the Performing Arts in Fort Lauderdale, Florida, for another six years. She currently serves as the Vice President of Corporate Communications for Maui Land & Pineapple Company, Inc., in Maui.

Your Committee finds that the experiences of Terilynne F. Gorman will help to bring more accountability to arts education programs in Hawaii and help to perpetuate the Hawaiian culture.

Testimony in support of the nomination of Leonard K. Chow was submitted by the State Foundation on Culture and the Arts, Merrill Lynch, and Tommy Toma Contractor, Inc. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Leonard K. Chow has served as a Board Member and Vice President of the Honolulu Academy of Arts Guild and the Hawaii Opera Theatre. Mr. Chow has obtained valuable experiences in the area of fundraising for various culture and arts events. In addition, Mr.



Chow has accumulated numerous technical abilities and project management skills in successfully completing a plethora of projects during his career as an engineer.

Your Committee finds that the experiences of Leonard K. Chow will help the State Foundation on Culture and the Arts Commission successfully achieve their goals and implement new projects.

Testimony in support of the nomination of James C. Jennings was submitted by the State Foundation on Culture and the Arts, WPP, the Law Office of Karen S. Baldwin, and five concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

James C. Jennings has obtained over thirty years of broad-based public communications experiences primarily as an international public relations consultant and executive for a national program and a worldwide foundation. Mr. Jennings has successfully held leadership positions that required expertise in strategic planning, media counseling, and developing public affairs campaigns.

Your Committee finds that the professional experiences of James C. Jennings will help the State Foundation on Culture and the Arts Commission to maximize its progress toward achieving their strategic plan and ensure that all programs of the Commission have an impact on each of the islands in the State.

Testimony in support of the nomination of Sheryl B. Seaman was submitted by the State Foundation on Culture and the Arts, American Institute of Architects Hawaii State Council, Group 70 International, Hawaii Theatre Center, Halekulani Corporation, and Thompson Matheny Corporation. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Sheryl B. Seaman has more than thirty-six years of experience in architecture and interior design in Hawaii and Asia. Ms. Seaman's work has earned her various professional accolades and awards in the area of designing resorts, commercial structures, and educational facilities.

Your Committee finds that the professional experiences of Sheryl B. Seaman will help the State Foundation on Culture and the Arts Commission raise awareness of and appreciation from the rest of the world for the culture and arts in Hawaii. Ms. Seaman will also make significant contributions to the advancement of the Commission's strategic goals and mission.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for Terilynn F. Gorman:

Ayes, 4. Noes, none. Excused, 1 (Hee).

Signed by the Chair on behalf of the Committee.

Record of votes for all other nominees:

Ayes, 3. Noes, none. Excused, 2 (Hee, Ige).

**SCRep. 1543      Public Safety and Military Affairs on H.C.R. No. 199**

The purpose of this measure is to request the State Auditor to conduct a performance audit of the Saguaro Correctional Center in Eloy, Arizona, which includes information on the treatment and services provided to Hawaii inmates and the facilitation of family and community connections.

Testimony in support of this measure was submitted by two private organizations and six individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an audit of the Saguaro Correctional Center is an important step in ensuring that Hawaii inmates at the Center are receiving appropriate services, given the State's contract with Corrections Corporation of America (CCA) to operate the Arizona facility, and amidst allegations of mismanagement and mistreatment of prisoners by CCA and two deaths in the Center since August 2008.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 199, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1544      Public Safety and Military Affairs on H.C.R. No. 92**

The purpose of this measure is to request the State Auditor to conduct a financial and management audit of the Department of Public Safety's Sheriff Division in order to determine alternatives to the continual operation of the Sheriff Division within the Department of Public Safety.

Testimony in support of this measure was submitted by one private organization and three individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that an audit of the Sheriff Division is a necessary step in determining alternatives to the current organizational placement of two operationally different divisions, corrections and law enforcement, within the Department of Public Safety.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 92, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1545 Public Safety and Military Affairs on H.C.R. No. 10**

The purpose of this measure is to request the Adjutant General to identify the location of every public safe room in the County of Hawaii providing suitable shelter from vog, and develop plans to establish safe rooms in additional areas that need them.

No testimony was presented to the Committee.

Your Committee finds that providing the people of the County of Hawaii with a safe place that is protected from the harmful conditions associated with vog will encourage those people to take the necessary precautions to avoid the risks and detrimental side effects associated with exposure to vog. Your Committee also finds that the development of safe rooms throughout the County of Hawaii may also be beneficial to the people of the County of Hawaii if they are confronted with other public dangers or concerns.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 10, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1546 Human Services on H.C.R. No. 13**

The purpose of this measure is to request a study of various unresolved issues relating to aging.

Testimony in support of this measure was submitted by the Executive Office on Aging. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that further efforts are needed to assist caregivers and adequately meet the needs of the State's aging population. The Executive Office on Aging and the Center on Aging at the University of Hawaii at Manoa need to continue their examination of these issues by continuing their research and analyses to:

- (1) Develop a cash and counseling model, which allows participants to use their Medicaid-provided personal assistance budgets to hire their own personal care aides, and to apply for related grants;
- (2) Determine how best to compensate caregivers for respite services;
- (3) Determine best practices for state agencies to collaborate and coordinate with area agencies on aging and local community service providers (including those for the disabled community);
- (4) Enhance funding from all sources for Medicaid and Medicare services, including but not limited to, removing or adjusting income limits and non-exempt asset limitations;
- (5) Determine how best to accommodate language barriers;
- (6) Determine how best to overcome access to long-term care services barriers; and
- (7) Identify more funding sources for long-term care services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 13, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 1 (Ihara).

**SCRep. 1547 Higher Education on Gov. Msg. Nos. 429, 554, 555, 556, 557 and 558**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

- G.M. No. 429 JUNE S. LEE, for a term to expire 6-30-2012;
- G.M. No. 554 MARIAN A. CRISLIP, for a term to expire 6-30-2012;
- G.M. No. 555 SALLY A. HARPER, for a term to expire 6-30-2012;
- G.M. No. 556 ALBERT D. KIM, for a term to expire 6-30-2012;
- G.M. No. 557 NADINE N. NISHIOKA, for a term to expire 6-30-2012; and
- G.M. No. 558 CHRISTOPHER J. WONG, for a term to expire 6-30-2012.

Your Committee reviewed the personal histories, resumes, and statements submitted by the nominees, and finds the nominees to have the necessary qualifications to be appointed to the Hawaii Commission for National and Community Service.

June S. Lee is Director of Business Development for Harbor Wing Technologies, Inc., and has been with the company since 2003. Prior to this, she held several positions with Hilton Hawaiian Village from 1972-2001. Ms. Lee is a graduate of Cannons Business

School. She is an active community volunteer, working with senior citizens at Maunalani Nursing and Rehabilitation Center and as a member of the Korean War Veterans Aloha Chapter Organization. Ms. Lee is a reappointment to the Hawaii Commission for National and Community Service.

Your Committee received testimony in support of June S. Lee from Tripler Army Medical Center; Hawaii Commission for National and Community Service; Korean War Veterans Association; Harbor Wing Technologies, Inc.; and Korean-American Medical Association of Hawaii; and United States Senator Daniel K. Akaka.

Marian A. Crislip is a retired educator, with thirty-five years as a teacher, school administrator, and educational specialist with the Department of Education. She is a graduate of the University of Hawaii at Manoa, and holds Master's and Doctorate degrees in Educational Administration. Ms. Crislip is the recipient of many professional honors and has an extensive list of publications and presentations. She is active in community organizations and is a thirty-year Hawaii Blood Bank donor, where she is nearing her goal as a Century Donor.

Your Committee received testimony in support of Marian A. Crislip from one individual.

Sally A. Harper is a retired educator, with over twenty-seven years as a kindergarten and first grade teacher at Punahou School. Since her retirement, she has worked in various positions in the Office of the Governor and as a Senior Educational Officer at the Department of Commerce and Consumer Affairs. Ms. Harper is a graduate of the University of California at Santa Barbara and holds a Master's of Education from the University of Hawaii. She has been an active community volunteer for over forty years.

Your Committee received testimony in support of Sally A. Harper from the Friends of the Library of Hawaii and the Representative from the Twenty-Eighth House District.

Albert D. Kim is Chief Executive Officer of Orient Travel Inc., and Orient Travel Bureau Inc, and has been in the travel business for over twenty years. He attended both Honolulu and Kapiolani Community Colleges and the University of Hawaii at Manoa, and is a graduate of the University of Phoenix with a Bachelor of Science in Business Administration. Mr. Kim is active in numerous professional and community organizations, including the Korean Tourism Association of Hawaii, the Korean Seniors Cultural Center, and Honolulu Hibiscus Lions Club.

Your Committee received testimony in support of Albert D. Kim from the United Korean Association of Hawaii; Hawaii Korean Cultural Center; CGS International, Hawaii Chapter; and one individual.

Nadine N. Nishioka is a Research Analyst for the House of Representatives Minority Research Office and has an extensive career in communications and business management. She is a graduate of the University of Hawaii at Manoa with a Bachelor of Arts in Communication and International Business Communication. Ms. Nishioka has been an active volunteer for over twenty-five years with many organizations, including the Boys and Girls Club of Hawaii, Mo'ili'ili Community Center, and the Manoa Neighborhood Board, as well as coaching volleyball, basketball, and softball.

Your Committee received testimony in support of Nadine N. Nishioka from the Mo'ili'ili Community Center; Representatives from the Nineteenth, Thirty-Second, and Forty-Fourth House Districts; a Councilmember from the City and County of Honolulu's Second District; and thirteen individuals.

Christopher J. Wong is a Special Events Coordinator with JDRF International, with a focus in management, marketing, and fundraising events. He is a graduate of Hawaii Pacific University with a Bachelor of Science in Business Administration and is currently a candidate for a Master's of Business Administration at Hawaii Pacific University. Mr. Wong is active in a diverse range of community and professional organizations, including the Hawaii Special Olympics, Junior Chamber of Commerce, Unity House, Inc., Pearl City Community Association, and USS Missouri Memorial Association.

Your Committee received testimony in support of Christopher J. Wong from the USS Missouri Memorial Association, Inc.; BB-63 USS Missouri Memorial's Visitor Operations Department; Boy Scouts of America, Aloha Council; Unity House, Inc.; Juvenile Diabetes Research Foundation; and two individuals.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for June S. Lee:

Ayes, 4. Noes, none. Excused, 3 (Baker, Takamine, Taniguchi).

Signed by the Chair on behalf of the Committee.

Record of votes for all other nominees:

Ayes, 4. Noes, none. Excused, 3 (Kokubun, Takamine, Taniguchi).

**SCRep. 1548 Economic Development and Technology on Gov. Msg. Nos. 573 and 574**

Recommending that the Senate not advise and consent to the nominations of the following:

**BOARD OF DIRECTORS OF THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

G.M. No. 573 SONG K. CHOI, for a term to expire 6-30-2013; and

G.M. No. 574 JEFFREY W. PIONTEK, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees Song K. Choi and Jeffrey W. Piontek for service on the Board of Directors of the High Technology Development Corporation.

Testimony in support of the nomination of Song K. Choi was submitted by the Department of Business, Economic Development and Tourism, Department of Transportation, High Technology Development Corporation, and two concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Song K. Choi has obtained extensive experience in the area of mechanical engineering and other variations of systems engineering. Mr. Choi has also been extensively involved with various professional and community organizations and has been awarded several Office of Naval Research grants over the past five years.

However, your Committee finds that there are concerns with confirming and recommending Song K. Choi to the High Technology Development Corporation. Although Dr. Choi has extensive professional experience in robotics education/workforce development, your Committee believes that the mission of the High Technology Development Corporation is more appropriately served by individuals with more direct business development experience relevant to high technology start-ups.

Testimony in support of the nomination of Jeffrey W. Piontek was submitted by the Department of Business, Economic Development and Tourism, the New York City Department of Education, High Technology Development Corporation, Isis Hawaii, Hawaii Technology Academy, Creativity Academy, Hawaii Technology Charter School Board, Hawaii Families for Educational Choice, November Learning, and three concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Jeffrey W. Piontek has demonstrated a passion throughout his career for issues related to science, technology, education, and engineering. Mr. Piontek has engaged in promoting matters related to developing education for Hawaii's young students in those areas over the past five years. Specifically, Mr. Piontek has started a charter school in Hawaii named Hawaii Technology Academy.

However, your Committee finds that there are concerns with confirming and recommending Jeffrey W. Piontek to the High Technology Development Corporation. Specifically, your Committee believes that the business experience that Mr. Piontek would bring to the High Technology Development Corporation is more appropriately aligned with an agency with an educational focus rather than one whose focus is on accelerating growth of Hawaii's technology industry.

As affirmed by the records of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees not to be qualified for the position to which nominated and recommends that the Senate not advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 1549 Economic Development and Technology on Gov. Msg. Nos. 268, 280 and 422**

Recommending that the Senate advise and consent to the nominations of the following:

**SMALL BUSINESS REGULATORY REVIEW BOARD**

- G.M. No. 268 SHARON O.L. PANG, for a term to expire 6-30-2013;
- G.M. No. 280 PETER YUKIMURA, for a term to expire 6-30-2013; and
- G.M. No. 422 CHARLES K. H. AU, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Sharon O.L. Pang, Peter Yukimura, and Charles K. H. Au to possess the requisite qualifications to be nominated to the Small Business Regulatory Review Board.

Testimony in support of the nomination of Sharon O.L. Pang was submitted by the Department of Business, Economic Development and Tourism, Small Business Regulatory Review Board, Hibiscus Aloha Corporation, Manoa Cottage Care Homes, and six concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Sharon O.L. Pang has owned a care management and consulting business for the past thirteen years. During that period of time she has obtained a wealth of knowledge and experience on the most critical matters affecting the small business arena.

Your Committee finds that Sharon O.L. Pang would be a tremendous asset to the Small Business Regulatory Review Board in overseeing the objectives of the Board and helping to achieve each of their goals in regulating the small business community in Hawaii.

Testimony in support of the nomination of Peter Yukimura was submitted by the Department of Business, Economic Development and Tourism, Small Business Regulatory Review Board, Kauai County Mayor Bernard Carvalho Jr., and the Hawaii Food Industry Association. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Peter Yukimura has been an executive officer and owner of several small businesses over the past four decades. Mr. Yukimura currently holds the position of President for three different small businesses, Yukimura's Inc., Koa Trading Company, and M & K Distributors.

Your Committee finds that Mr. Yukimura brings a vast professional background that includes an extensive amount of time doing business on the Island of Kauai. Your Committee also finds that the reappointment of Mr. Yukimura will continue to allow the Board to utilize his strengths and commitment to providing the communities on Kauai with much needed expertise and guidance in regulating the small businesses on that island.

Testimony in support of the nomination of Charles K. H. Au was submitted by the Department of Business, Economic Development and Tourism, Department of Taxation, Small Business Regulatory Review Board, and Hawaii Society of Certified Public Accountants. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Charles K. H. Au has devoted his professional career to the area of public accounting. Over the past twenty years Mr. Au has been committed to helping small business clients in Hawaii with their accounting, tax, and consulting matters.

Your Committee finds that the technical expertise of Mr. Au in the areas of accounting, tax, and business consulting will assist the Board in overseeing the operations of small business in this State. Mr. Au has been a member of the Small Business Regulatory Review Board since 2005 and he is actively involved in a variety of community organizations which will help him to reach out and provide guidance to various small businesses in this State.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1550 Economic Development and Technology on Gov. Msg. Nos. 551 and 575**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII STRATEGIC DEVELOPMENT CORPORATION

G.M. No. 551 DANTON S. WONG, for a term to expire 6-30-2013; and

G.M. No. 575 H. BRIAN MOORE, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements of the nominees and finds Danton S. Wong and H. Brian Moore to have the requisite qualifications to be nominated to the Board of Directors of the Hawaii Strategic Development Corporation.

Testimony in support of the nomination of Danton S. Wong was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Strategic Development Corporation, the Iolani Palace, the American Red Cross, the Outrigger Enterprises Group, and three concerned individuals.

Mr. Wong received his Bachelor's degree in Economics from Stanford University and his Juris Doctor from the University of California Hastings College of the Law. He is a Partner at Chun, Kerr, Dodd, Beaman, and Wong. Mr. Wong is a Director of the Hawaii Heritage Center, a Director of the Friends of Iolani Palace, and a Trustee of the Island Pacific Academy. He also serves as an arbitrator in the Court Annexed Arbitration Program. Mr. Wong currently serves on the Board of Directors of the Hawaii Strategic Development Corporation.

Mr. Wong's experience in the areas of real estate transactions and commercial lending provide needed business perspectives to the Board to assist with the Hawaii Strategic Development Corporation's venture capital investment program and entrepreneurial development activities.

Testimony in support of the nomination of H. Brian Moore was submitted by the Department of Business, Economic Development, and Tourism, the Hawaii Strategic Development Corporation, The Gas Company, and Pacific Guardian Life Insurance Company, Ltd.

Mr. Moore received his Bachelor's degree in Government from the University of Notre Dame, completed coursework at the American Institute of Real Estate Appraisers, was a Fellow at the Life Management Institute, completed the Hawaii Management Program at the University of Hawaii at Manoa, and completed the Executive Program for Small Companies at Stanford University. He is presently employed as the Senior Vice President at Pacific Guardian Life Insurance Company, Ltd.

Mr. Moore has worked for many years supporting the diversification of Hawaii's economic base and his active participation on business boards, including the Mortgage Bankers Association of Hawaii and the Better Business Bureau, reflect his strong support of Hawaii's business community.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1551 Economic Development and Technology on Gov. Msg. Nos. 589, 590, 591 and 592**

Recommending that the Senate advise and consent to the nominations of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 589 HANS H. CHUN, for a term to expire 6-30-2013;

G.M. No. 590 CAROL M. JUNG, for a term to expire 6-30-2013;

G.M. No. 591 MICHAEL J. MURAKOSHI, for a term to expire 6-30-2010; and

G.M. No. 592 JENNIFER L. ZELKO, for a term to expire 6-30-2010.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees, and finds Hans H. Chun, Carol M. Jung, Michael J. Murakoshi, and Jennifer L. Zelko to have the requisite qualifications to be nominated to the Community-Based Economic Development Advisory Council.

Testimony in support of the nomination of Hans H. Chun was submitted by the Department of Business, Economic Development, and Tourism and three concerned individuals.

Dr. Chun received his Bachelor's degree in Sport Management and Business Management, Master's degree in Communication with an emphasis in Public Relations, and his Doctor of Education in Educational Administration and Leadership with a specialty in Public Relations from the University of the Pacific. Dr. Chun is presently a Public Affairs Officer with the United States Navy Reserve, a Director of the Navy League of the United States, and a Faculty Instructor at the Axia College of the University of Phoenix.

Dr. Chun's education and professional experience providing support for public relations and marketing, community relations, and event coordination will serve the Council well in their mission to assist and empower Hawaii's communities.

Testimony in support of the nomination of Carol M. Jung was submitted by the Department of Business, Economic Development, and Tourism and three concerned individuals.

Ms. Jung received her Bachelor's degree in Political Science from the University of Hawaii at Hilo and her Juris Doctor from the Pennsylvania State University Dickinson School of Law. She is presently of Counsel and a Member of Jung & Vassar, P.C. and a Director for Family Support Services. Ms. Jung has extensive management and coordination experience, including as Executive Assistant to the Chairman of the National Democratic Committee in Washington D.C. She satisfies the requirement that a member represent West Hawaii.

Ms. Jung has demonstrated strong ethical standards, diligence, a creative ability, and a high level of volunteerism. She has represented many Hawaii-based business clients and has an informed understanding of the community's needs.

Testimony in support of the nomination of Michael J. Murakoshi was submitted by a member of the House of Representatives, the Department of Business, Economic Development, and Tourism, the Kauai County Mayor, Big Save Inc., Pahio Resorts, the Koa Trading Company, and one concerned individual.

Mr. Murakoshi has worked for First Hawaiian Bank for more than forty years, and presently serves as the Senior Vice President and Kauai Region Manager. He is a Director for Big Brothers Big Sisters of Honolulu and Chairperson of the Kauai Advisory Council, a Governor for the Japanese Cultural Center of Hawaii, the Treasurer of the Kauai Housing Development Corporation, and a member of many other organizations. Mr. Murakoshi satisfies the requirement that a member represent Kauai.

Mr. Murakoshi has extensive experience evaluating the financial needs for large and small businesses, non-profit organizations, and other entities. He can offer a balanced perspective regarding the socio-economic potential that a project may bring to the community it proposes to serve.

Testimony in support of the nomination of Jennifer L. Zelko was submitted by the Department of Business, Economic Development, and Tourism and one concerned individual.

Ms. Zelko received her Bachelor's degree in Psychology from the University of Hawaii at Hilo and her Juris Doctor from the Gonzaga University School of Law. She is presently an attorney with Torkildson, Katz, Moore, Hetherington, and Harris, Vice President of the YWCA of Hawaii Island, a Board member of the University of Hawaii at Hilo Alumni, and Chairperson of the East Hawaii Council of Advisors. Ms. Zelko satisfies the requirement that a member represent East Hawaii.

Ms. Zelko's extensive professional experience as an attorney working with local developers and government agencies to provide affordable housing and community-based development will bring valuable insight to the Community-Based Economic Development Advisory Council.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1552 Public Safety and Military Affairs on Gov. Msg. No. 475**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 475 ALBERT TUFONO, for a term to expire 6-30-2012.

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Albert Tufono to possess the requisite qualifications to be nominated to the Hawaii Paroling Authority.

Testimony in support of the nomination of Albert Tufono was submitted by three state agencies, two private organizations, and twenty private individuals. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Albert Tufono has obtained over seventeen years of social service experience working with high-risk youths in various capacities, and with the Hawaii Paroling Authority, first as a member of the Authority and then as Chairman of the Authority. During his years of service working with at risk youths in Seattle, Washington and in Hawaii, he was responsible for developing, coordinating, and implementing programs targeting teens involved in gangs, homeless youths, runaways, pregnant teen mothers, and youths in correctional facilities. More recently, while working at the Hawaii Youth Correctional Facility, he implemented cognitive behavior modification programs for juvenile offenders. This depth and breadth of experience has been invaluable in his current role on the Hawaii Paroling Authority Board. Mr. Tufono's objective is to be fair, firm, and consistent, which is borne out in the great respect he has earned among his colleagues and the staff and attorneys who work with him and appear in front of the Board. This mindset has also helped to significantly reduce the parole recidivism rate during his tenure.

Your Committee finds that the reappointment of Albert Tufono to the Hawaii Paroling Authority Board will continue to have a positive impact on reducing the number of parolees who return to prison and on improving the parole process for all concerned.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1553 Public Safety and Military Affairs on Gov. Msg. Nos. 476 and 530**

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 476 PATRICIA ANN WIELAND, for a term to expire 6-30-2013; and

G.M. No. 530 NORMAN S. STAHL, for a term to expire 6-30-2013.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Patricia Ann Wieland and Norman S. Stahl to possess the requisite qualifications to be nominated to the Advisory Board on Veterans' Services.

Testimony in support of the nomination of Patricia Ann Wieland was submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Ms. Wieland currently works as the Hawaii Voluntary Service Program Manager for the Veterans Administration at the Spark Matsunaga Veterans Affairs Medical Clinic at Tripler Hospital. Prior to her current position, Ms. Wieland obtained extensive experience in various capacities within the federal government for more than twenty years. She has also been a member of the Navy Reserves for twenty-one years. Additionally, Ms. Wieland's extensive involvement in the Disabled American Veterans Auxiliary and the American Legion adds to her knowledge and experience with veterans' issues. Ms. Wieland has been a member of the Advisory Board on Veterans' Services since 2007, providing invaluable insight and input concerning veterans' issue.

Your Committee finds that the reappointment of Ms. Wieland to the Advisory Board on Veterans' Services representing Oahu will continue to provide the Board with a unique insight and breadth of experience in veterans' issues.

Testimony in support of the nomination of Norman S. Stahl was submitted by one state agency, one private organization, and one private individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Dr. Stahl received a Bachelor of Arts Degree in Social Science from the California State University, Fresno, a Master of Arts Degree in Psychology, Counseling and Guidance from the University of Northern Colorado, a Master of Arts Degree, Higher Education and Organizational Change from the University of California, Los Angeles, and a Doctor of Philosophy Degree in Education (Research Emphasis in Career Development) from the University of California, Los Angeles. He is currently the Director of Career Services at the University of Hawaii at Hilo. Dr. Stahl is very involved in veterans' affairs, with the Hawaii County Veterans Advisory Board and the Big Island Retired Military Association. Additionally, as a Marine, Dr. Stahl rose from enlisted ranks to commissioned officer, with service in Vietnam. Thereafter, he continued to serve his country as a Marine on active duty for twenty-two years and retired as a Lieutenant Colonel.

Your Committee finds that Dr. Stahl's experiences in education, counseling, and psychology will truly benefit the Board objectives. Moreover, as a veteran, Dr. Stahl brings much understanding and concern for issues of all Hawaii's veterans.

As affirmed by the records of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1554 Public Safety and Military Affairs on Gov. Msg. No. 559**

Recommending that the Senate advise and consent to the nomination of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 559 L. DEW KANESHIRO, for a term to expire 6-30-2013.

Your Committee received testimony in support of this nomination from two state agencies, one private agency, and five individuals. Your Committee also received a written statement and biographical information from the nominee. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that this nominee has a strong background in the judicial system, with twenty years of experience as an attorney, court administrator, and consultant. Your Committee finds that this nominee possesses a good understanding of the functions of the Crime Victim Compensation Commission and will bring a valuable perspective to the Commission. This nominee's experience working with non-English-speaking populations and other groups that are traditionally underserved by the judicial system give her a deep understanding of access issues and diverse points of view. Further, your Committee finds that this nominee's work with government agencies, victim service organizations, court interpreters, prosecutors, police, and community organizations has allowed her to view the entire criminal justice system and to gain an understanding of crime victims' experience interacting with the various institutions and processes.

Your Committee finds that this nominee will be able to make clear and consistent decisions as a member of the Crime Victim Compensation Commission. Further, your Committee finds that this nominee is knowledgeable about the impact of violent crime on individuals and will be sensitive and compassionate in dealing with these individuals. Finally, your Committee finds that this nominee was nominated based on her experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Gabbard, Hemmings).

**SCRep. 1555 Economic Development and Technology on Gov. Msg. Nos. 285, 286 and 289**

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

G.M. No. 285 KATHLEEN O. AHINA, for a term to expire 6-30-2013;

G.M. No. 286 KEVIN H. M. CHONG KEE, for a term to expire 6-30-2012; and

G.M. No. 289 ALEXANDER C. KANE JR., for a term to expire 6-30-2012.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kathleen O. Ahina, Kevin H. M. Chong Kee, and Alexander C. Kane Jr. to possess the requisite qualifications to be nominated to the Stadium Authority.

Testimony in support of the nomination of Kathleen O. Ahina was submitted by the Department of Accounting and General Services, Aloha Stadium, and six concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Kathleen O. Ahina has been a life-long resident of Hawaii that has enjoyed her experiences at Aloha Stadium from its very beginning after construction to today. Kathleen O. Ahina also has served as a member of the Stadium Authority since 2005 and has provided considerable insight into the user needs and safety matters currently affecting Aloha Stadium.

Your Committee finds that reappointing Kathleen O. Ahina for another term will help the Stadium Authority when they seek bids for a contract with the swap meet within the next year. Your Committee also finds that Kathleen O. Ahina can assist the Stadium Authority in resolving the issues and concerns that currently face the Swap Meet Vendors Association in their current contract with Centerplate.

Testimony in support of the nomination of Kevin H. M. Chong Kee, was submitted by Representative Barbara Marumoto, Representative Lynn Finnegan, the Department of Accounting and General Services, the Department of Hawaiian Home Lands, Aloha Stadium, and one individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Kevin H. M. Chong Kee currently serves as the Chair of the Stadium Authority and has laid a foundation for working toward resolving the current issues facing the Stadium Authority, such as hiring a new Stadium Manager, eliminating rent charges to the University of Hawaii, and addressing the challenges of a major repair and renovation project.

Your Committee finds that, while Chair Chong Kee has made some progress in working with the Swap Meet Vendors Association and Centerplate management to resolve differences between those two entities, much more work must be done to address your Committee's concerns regarding the need for improved access to information on Stadium Authority operations, better communications with all Aloha Stadium users, and increased accountability to the Legislature.

Specifically, your Committee is concerned about the present system in which its swap meet management contractor is also the contractor for food and beverage concessions, and the new Request for Proposal for swap meet management appears to relax the level of performance criteria for contractors to meet.

Testimony in support of the nomination of Alexander C. Kane Jr. was submitted by the Department of Accounting and General Services and Aloha Stadium. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Alexander C. Kane Jr. has almost thirty years of experience as an interscholastic athletic director in Hawaii.

Your Committee finds that Alexander C. Kane Jr. has represented the sports community's perspective well during his current term on the Stadium Authority and that his commitment has been focused on what is in the best interest of Aloha Stadium. Your Committee also finds that Mr. Kane is aware and knowledgeable about the fiscal and safety concerns of Aloha Stadium and will advocate for prudent measures to resolve those concerns.



As affirmed by the records of votes of the members of your Committee on Economic Development and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Record of votes for Kevin H. M. Chong Kee:

Ayes, 4. Ayes with Reservations, 3 (Baker, Fukunaga, Ige). Noes, none. Excused, 1 (Hee).

Signed by the Chair on behalf of the Committee.

Record of votes for all other nominees:

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1556 Economic Development and Technology on Gov. Msg. Nos. 290, 291 and 522**

Recommending that the Senate advise and consent to the nominations of the following:

**STADIUM AUTHORITY**

G.M. No. 290 MARCIA J. KLOMPUS, for a term to expire 6-30-2013;

G.M. No. 291 NELSON G. OYADOMARI, for a term to expire 6-30-2013; and

G.M. No. 522 LAWRENCE K. W. TSEU, for a term to expire 6-30-2012.

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Marcia J. Klompus, Nelson G. Oyadomari, and Lawrence K. W. Tseu to possess the requisite qualifications to be nominated to the Stadium Authority.

Testimony in support of the nomination of Marcia J. Klompus was submitted by Representative Barbara Marumoto, the Department of Accounting and General Services, and the Department of Labor and Industrial Relations. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Marcia J. Klompus has been a resident of Hawaii for over twenty-three years and has over thirty years of experience working with marketing or managing sporting events. Marcia J. Klompus also is an Executive Director of Sanctioned Bowl Games and Events for the National Collegiate Athletic Association.

Your Committee finds that reappointing Marcia J. Klompus to the Stadium Authority for another term will assist in strengthening the marketing of Aloha Stadium events and building a stronger brand for swap meet events. Your Committee also believes she can help the Stadium Authority improve relations between the Swap Meet Vendors Association and Centerplate management.

Testimony in support of the nomination of Nelson G. Oyadomari was submitted by the Department of Accounting and General Services, Central Pacific Bank, Hidano Construction, Muscular Dystrophy Association, Hawaii Performance Warehouse, and one concerned individual. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Nelson G. Oyadomari has an extensive professional background in finance and the mortgage industry. Mr. Oyadomari has used the experiences he has gained in his career to assist the Stadium Authority in all financial matters during his current appointment to the Stadium Authority.

Your Committee finds that Nelson G. Oyadomari has helped guide the Stadium Authority on financial issues facing the Stadium Authority and Aloha Stadium during the past four years.

Testimony in support of the nomination of Lawrence K. W. Tseu was submitted by Former Governor George Ariyoshi, Chaminade University of Honolulu, Saint Louis School, Market City Shopping Center, and two concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Lawrence K. W. Tseu has served and been a member of many boards and advisory panels over the past thirty years and accordingly has substantial experience in developing and implementing the fiscal and management solutions that would be useful to the Stadium Authority.

As a new member of the Stadium Authority, your Committee finds that Lawrence K. W. Tseu is aware of the important role that Aloha Stadium plays in our State's economy. Your Committee also finds that Mr. Tseu's lengthy record of community service and leadership and strong work ethic makes him well-equipped to assist the Stadium Authority as it explores the best means of tackling infrastructural needs in conjunction with limited public funding resources and a fiscally-constrained private sector partners.

As affirmed by the records of votes of the members of your Committee on Economic Development and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Hee).

**SCRep. 1557 (Majority) Economic Development and Technology on H.C.R. No. 100**

The purpose of this measure is to proclaim September 24, 2009, as "Islam Day" in recognition of the rich religious, scientific, cultural, and artistic contributions Islam and the Islamic world have made since their founding.

Testimony in support of this measure was submitted by the Muslim Association of Hawaii and thirty-five concerned individuals. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that recognition of the Islamic culture and beliefs only adds to the wealth of the diverse makeup of the people in Hawaii. Your Committee also finds that designating one day in 2009 as "Islam Day" is an appropriate mechanism for the people of the Islamic world to be noticed and acknowledged in Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 100, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 1558 (Joint) Economic Development and Technology and Public Safety and Military Affairs on H.C.R. No. 49**

The purpose of this measure is to:

- (1) Urge the President of the United States, Secretary of Defense, Secretary of the Interior, and the United States Navy to preserve a portion of United States Marine Corps Air Station Ewa as a National Monument; and
- (2) Request the United States Navy and its private, public, and nonprofit partners to proceed with and the Department of Land and Natural Resources to report on the research, battlefield analysis, and other activities necessary to designate an appropriate boundary within Ewa Field for nomination to the Hawaii State and National Registers of Historic Places.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources, Kailua Neighborhood Board, and two concerned individuals. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that the historical significance of United States Marine Corps Air Station Ewa is extensive and deserves to be protected. Specifically, your Committees also find that it is important to preserve the land, buildings, and structures at United States Marine Corps Air Station Ewa that played a role during World War II and the attack on Pearl Harbor so that those pieces of Hawaii's history can be studied by future generations and historians.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Public Safety and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 49, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 8. Noes, none. Excused, 4 (Bunda, Hee, Kidani, Hemmings).

**SCRep. 1559 Labor on H.C.R. No. 207**

The purpose of this measure is to:

- (1) Request the Department of Labor and Industrial Relations (lead agency), Department of Taxation, Insurance Division of the Department of Commerce and Consumer Affairs, Department of Health, Department of Education, Corrections Division of the Department of Public Safety, Hawaii Public Housing Authority, Department of Human Services, and Department of Agriculture to conduct a joint study on the impact of illegal immigration in Hawaii; and
- (2) Request the Department of Labor and Industrial Relations to lead a task force to determine investigatory and enforcement actions to reduce the practice of hiring illegal or undocumented workers.

Testimony in support of this measure was submitted by one state agency and one organization. Comments were submitted by one state agency. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the State's current economic situation calls for more prudent state spending and improved enforcement of existing laws. Your Committee recognizes this measure as a step toward preventing the hiring of undocumented workers, recovering funds owed to the State by companies that are found to hire undocumented workers, and preventing companies found to employ undocumented workers from doing business in the State.

Your Committee also recognizes the merits of the Department of Commerce and Consumer Affairs' comments, which name the Regulated Industries Complaints Office as the agency with the appropriate authority to represent the Department's licensing boards on the task force.

As affirmed by the record of votes of the members of your Committee on Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 207, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Bunda, Slom).

**SCRep. 1560 Public Safety and Military Affairs on H.C.R. No. 27**

The purpose of this measure is to request a study of disparate treatment of Native Hawaiians in Hawaii's criminal justice system.

Testimony in support of this measure was submitted by one state agency, three organizations, and one individual. Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds there is compelling evidence that Native Hawaiians have received disparate treatment in the Hawaii criminal justice system. According to recent studies, Native Hawaiians account for twenty per cent of the total population of the State but around forty per cent of the State's prison population. Native Hawaiians average twenty-three per cent of all arrests in the State, and are twice as likely to be incarcerated as any other group. Native Hawaiian males and females make up forty-five per cent of all

parolees statewide, and scholars have concluded that Native Hawaiians are at the greatest risk of being re-arrested and returning to prison.

The high rates of incarceration have profound implications for Native Hawaiians. For example, almost sixty per cent of children placed in child protective services are Native Hawaiian. Of those children, eight per cent to thirty-three per cent have incarcerated parents. Studies suggest that adult children of incarcerated mothers are two and one-half times more likely to be incarcerated than adult children of incarcerated fathers. Ninety-five per cent of the one hundred twenty female Hawaii inmates incarcerated at a single mainland facility are mothers.

Thirty-nine per cent of the 1,844 inmates from the State who are residing in mainland facilities are Native Hawaiian, and there is a growing concern that if Native Hawaiian inmates continue to be transferred to mainland facilities, further removed and disconnected from their families, it may lead to a higher recidivism rate and adversely contribute to their children's behavior.

A careful study with a multi-method approach which includes quantitative and qualitative analysis has the potential to produce favorable policy reforms which address the disparate treatment of Native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Bunda, Kidani, Hemmings).

**SCRep. 1561      Transportation, International and Intergovernmental Affairs on H.C.R. No. 304**

The purpose of this measure is to urge the Governments of Uganda and Democratic Republic of the Congo to abolish child soldiering in their armed forces in conjunction with the United States' Child Soldiers Accountability Act signed into law by President Bush on October 3, 2008.

This measure also urges the Hawai'i Congressional Delegation to support legislation allocating sufficient funds for continued humanitarian aid to the people of Uganda and the people of the Democratic Republic of the Congo, as well as legislation urging the Lord's Resistance Army to engage in good faith negotiations to pursue a political solution to this conflict.

Your Committee received testimony in support of this measure from the Hawaii Family Forum; Hawaii Catholic Church in Hawai'i; and one hundred sixteen individual petitions. Written testimony presented to the Committee may be reviewed on the Legislature's website.

After twenty-three years of civil war, the Lord's Resistance Army, led by Joseph Kony, has engaged in an armed conflict with the Government of Uganda, resulting in thousands of murders, at least twice that number of children abducted, and nearly two-million people displaced. The continuing violence and instability obstruct the delivery of humanitarian assistance to the people of northern Uganda and the Democratic Republic of the Congo and impede national and regional trade, development and democratization efforts, and counter-terrorism efforts.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 304, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, none.

**SCRep. 1562      Health on S.R. No. 61**

The purpose of this measure is to ensure that any legislative effort to repair the healthcare system in Hawaii incorporates sustainable wellness programs that address the underlying causal factors associated with chronic disease.

Your Committee received testimony in support of this measure from the Department of Health, the Hawaii Primary Care Association, the Hawaii Government Employees Association, and Catholic Charities of Hawaii.

Written testimony presented to your Committee may be reviewed on the Legislature's website.

Your Committee finds that continuing support to protect funding for primary prevention is important to ensuring the viability of sustainable wellness programs. These programs will reduce future health care costs by addressing the prevention of chronic disease and educating the public on the importance of healthy lifestyle changes.

Your Committee has amended this measure by making technical, nonsubstantive changes to the title and body for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee 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 the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1563      Health on S.R. No. 97**

The purpose of this measure is to request the Department of Health to review and assess the policies and procedures implemented by hospitals to reduce elective cesarean sections and induction of labor.

Your Committee received testimony in support of this measure from the March of Dimes. Testimony in opposition to this measure was submitted by the Department of Health. Comments on this measure were submitted by Healthy Mothers, Healthy Babies.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that there has been a sharp increase in the number of induction and elective surgical births in the past ten years that have increased the rate of pre-term births.

Your Committee further finds that the Healthcare Association of Hawaii is a non-profit organization that represents Hawaii's health care providers and would serve as a valuable asset to the review and assessment process conducted by the Department of Health.

Your Committee has amended this measure by requesting the Department of Health to conduct the review and assessment in consultation with the Healthcare Association of Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 97, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1564      Health on S.R. No. 89**

The purpose of this measure is to encourage the creation of a chronic obstructive pulmonary disease module within the Centers for Disease Control and Prevention that will enable information on the potentially debilitating disease to be centralized and coordinated, leading to better sharing of key information and more research and funding for better and effective treatments.

Your Committee received testimony in support of this measure from the Hawaii Chronic Obstructive Pulmonary Disease Coalition.

Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appropriate funding for the establishment of a national chronic obstructive pulmonary disease program will enable information on the potentially debilitating disease to be centralized and coordinated, leading to better sharing of key information and more research and funding for better and effective treatments.

Your Committee has amended this measure by:

- (1) Changing the title to request the establishment of a Chronic Obstructive Pulmonary Disease program instead of a module, and other conforming amendments; and
- (2) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 89, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 1 (Hemmings).

**SCRep. 1565      (Joint) Health and Human Services on S.R. No. 79**

The purpose of this measure is to request the Hawaii Health Systems Corporation East and West regional boards to establish the Big Island Long-Term Care Coalition to develop a plan for long-term care solutions on the Big Island of Hawaii.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the lack of long-term care facilities, particularly on the island of Hawaii, is one of the most critical health care issues facing the senior and adult disabled population. The Hawaii Health Systems Corporation is most affected by the availability of and support for long-term care. Therefore, leadership from the Corporation's Big Island regional boards is appropriate for the important task of pulling a coalition together to develop solutions.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 79 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Ayes, 6. Noes, none. Excused, 2 (Espero, Hemmings).